

IMPORTANT NOTICE

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Helikos SE

Société européenne

**Registered Office: 115, avenue Gaston Diderich, L-1420 Luxembourg
R.C.S. Luxembourg B 148.525**

To the Shareholders and Class A Warrantholders of Helikos SE:

You are cordially invited to attend:

- the extraordinary general meeting of the shareholders of Helikos SE (the “Company”) at 12:00 p.m. Central European Summer Time (“CEST”), on July 1, 2011 (if you own the Company’s shares);
- and the special meeting of the Class A warrantholders of the Company at 11:00 a.m. CEST, on July 1, 2011 (if you own the Company’s Class A Warrants).

The extraordinary general meeting of the shareholders and the special meeting of the Class A warrantholders will each be held at Hotel Le Royal, 12 boulevard Royal, L-2449 Luxembourg.

The Company is pleased to report that its board of directors (its “Board of Directors” or “Board”) has approved a share purchase agreement dated June 7, 2011 (the “Share Purchase Agreement”) by and among the Company, Ventizz Capital Fund III Holding Company LLC (“Ventizz”), a Delaware limited liability company, Ulrich Reutner, Jan Trommershausen, Robert Wolny (Mssrs. Reutner, Trommershausen and Wolny, together with Ventizz, the “Sellers”), Helikos AG, and Exceet Group AG, a Swiss stock corporation (Exceet Group AG together with its direct and indirect subsidiaries, the “Exceet Group”).

Exceet Group AG is the parent company for the Exceet Group. The Exceet Group is specialized in customized solutions for safety-critical applications. The Exceet Group designs, develops and produces essential components and solutions for blue chip customers in the fields of medical and healthcare, industrial automation, financial services, security, avionics and transportation. Its product portfolio ranges from complex electronic modules and systems that are generally integrated in costly devices to smart -cards and -devices, which are produced in small and medium quantities. Over the last several years, the Exceet Group’s “buy and build” M&A strategy has allowed it to build a group that is well-positioned to serve its clients through the entire value chain from design, application and process development to after sales and lifecycle management services.

In the Exceet Group, the Board of Directors believes the Company has found a “hidden champion” in the fast growing market for embedded intelligent electronics. As a European market leader with strong German roots and presence, the Exceet Group is a trusted partner of several blue chip companies. Over the past three years, the Exceet Group’s management has proven its ability to grow revenues, drive market consolidation, and at the same time expand profitability. As a strong player in highly specialized markets with competition mainly from small independent companies, the Company believes the Exceet Group is in an excellent position to gain further market share through customized as well as innovative solutions.

Pursuant to and in connection with the Share Purchase Agreement, among other things:

- Helikos AG, a newly formed wholly-owned subsidiary of the Company incorporated in Switzerland, intends to acquire all issued and outstanding shares in Exceet Group AG in return for consideration consisting of:
 - €110.5 million in cash;
 - approximately 3.1 million newly issued Class A shares (“Public Shares”) of the Company; and
 - 9 million newly issued Class C shares, a newly-authorized class of shares of the Company (the “Earnout Shares” or “Class C Shares”) that will be convertible in three equal tranches into Public Shares if certain agreed Public Share price thresholds are met.
- The holders (the “Founders”) of the Company’s Class B shares (the “Founding Shares”) and Class B Warrants (the “Founding Warrants”) have agreed to an amendment of the terms of the outstanding Founding Warrants to provide for their redemption at consummation of the Transaction (as defined

below) and to use the redemption proceeds therefrom to subscribe for 1 million newly issued Class B4 Founding Shares, and have agreed to vote in favor of a proposed amendment of the terms of the Company's Class B2 and B3 Founding Shares to increase the Public Share price thresholds at which they convert into Public Shares.

- The Company has agreed to make a capital contribution to Exceet Group AG in an amount of between €15 million and €59.9 million determined as set forth in the Share Purchase Agreement, and to repay certain outstanding indebtedness of up to €11.1 million of the Exceet Group owed to certain of the Sellers.
- In the Share Purchase Agreement, the Company has also agreed to seek the approval of the holders of the Public Warrants to an amendment on the terms described herein.

In order to complete the Transaction on the terms set forth in the Share Purchase Agreement, the Company's shareholders must approve each of the proposals presented to the extraordinary general meeting of shareholders and the holders of the Company's Public Warrants must approve the proposal submitted to the special meeting of warrant holders. Each proposal, if approved, will come into effect as of the consummation of the Transaction.

At the extraordinary general meeting of the Company's shareholders (the "Extraordinary General Meeting" or "EGM") and pursuant to the Company's *statuts coordonnés* (its "Articles"), the Company's shareholders (its "Shareholders") will be asked to consider and vote on proposals: (i) to approve as the Company's initial business combination (as defined in the Company's Articles, a "Business Combination") the transactions contemplated by the Share Purchase Agreement (the "Transaction") which, among other things, provides for the acquisition by Helikos AG of all issued and outstanding shares in Exceet Group AG in return for consideration in the form of cash, Public Shares and Earnout Shares (the "Business Combination Proposal"); (ii) to change the name of the Company to "exceet Group SE" (the "Name Change Proposal"); (iii) to approve the creation of the three tranches of Earnout Shares that will be issued to the Sellers, including the terms on which they will convert into Public Shares, to grant the Board of Directors power to give effect to such conversions, and to provide the class of Earnout Shares the right to propose a director for election to the Board of Directors (the "Earnout Shares Proposal"); (iv) to increase the Public Share price thresholds at which the existing Class B2 and B3 Founding Shares convert into Public Shares, to approve the creation and determination of the conversion terms of the new Class B4 Founding Shares that will be issued to the Founders in exchange for the proceeds of the redemption of the Founding Warrants, and to provide the holders of the Founding Shares with the right to propose a director for election to the Board of Directors (the "Founding Shares Proposal"); (v) to reduce the authorized capital of the Company and extend the Board of Directors' authorization to issue securities within the limits of such authorized capital (the "Authorized Capital Proposal"); (vi) to amend and restate the Company's Articles to reflect the changes set forth in the Shareholder Proposals and certain other changes (the "Articles Proposal"); (vii) to accept the resignations of the Company's existing Directors from the Board of Directors and to elect new Directors to take office upon consummation of the Transaction (the "Directors Proposal"); and (viii) to grant an irrevocable power of attorney to the Board of Directors to accomplish the related formalities under the Articles and Luxembourg law with respect to the conversion of the Class B Shares and Class C Shares and acknowledgment of the Consummation (the "Formalities Proposal" and together with the Business Combination Proposal, the Name Change Proposal, the Earnout Shares Proposal, the Founding Shares Proposal, the Authorized Capital Proposal, the Articles Proposal and the Directors Proposal, the "Shareholder Proposals").

At the special meeting (the "Special Meeting of Warrant holders" or "Special Meeting") of holders of the Company's Class A Warrants (the "Public Warrants"), such holders (the "warrant holders") will be asked to consider and approve a proposal (the "Warrant Amendment Proposal") to amend the terms and conditions of the Public Warrants, in particular (i) to provide for the payment in cash of €0.625 per Public Warrant upon consummation of the Transaction; (ii) to amend the calculation formula for the Public Warrants to provide that the number of Public Shares received upon exercise of each Public Warrant is reduced by 50%; (iii) to increase the Public Warrant exercise price per Public Share from €9 per Public Share to €12 per Public Share; (iv) to increase the redemption trigger price from €14 to €17; and (v) to extend the term of the Public Warrants from five years from the date of the Company's IPO to five years from the consummation of the Transaction.

Each of these proposals is more fully described in the accompanying proxy statement. If any of the Shareholder Proposals or the Warrant Amendment Proposal are not approved, or if 35% or more of the outstanding Public Shares are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option described in the accompanying proxy statement is exercised), then the Company will not proceed with the Transaction, and none of the Shareholder Proposals or the Warrant Amendment Proposal will become effective.

The closing of the Transaction is conditioned on a minimum capital contribution to the Exceet Group of €15 million. If more than approximately 25.5% of the outstanding Public Shares are validly tendered for redemption, this closing condition will not be satisfied unless Oranje Nassau Participaties B.V. (the “Wendel Shareholder”) elects, in its sole discretion, to exercise the Founders’ Purchase Option in a sufficient amount to ensure the minimum capital contribution is met. If the Transaction is not consummated and no other Business Combination is consummated before August 4, 2012, the Company will liquidate and transfer substantially all of its assets to its Shareholders (other than the Founders) and the outstanding Public Warrants will expire worthless.

Holders of Public Shares (“Public Shareholders”) that vote against the Shareholder Proposals may request redemption of their Public Shares by following the procedures described in the accompanying proxy statement. **The deadline for making a redemption request and completing the related procedures is 6:00 p.m. CEST on June 17, 2011.**

The Board of Directors of the Company has unanimously approved the Share Purchase Agreement and the Transaction and recommends that Shareholders vote or give instruction to vote “FOR” each of the Shareholder Proposals to be presented at the Extraordinary General Meeting of Shareholders and recommends that the warrant holders approve or give instruction to approve the Warrant Amendment Proposal to be presented at the Special Meeting of Warrantheolders.

The existence of the financial and personal interests of the Founders and Directors of the Company may result in a conflict of interest. See “*Certain Relationships and Related Transactions*” in the proxy statement.

Enclosed are (i) the form of notice of the Extraordinary General Meeting of Shareholders and Special Meeting of Warrantheolders, and (ii) a proxy statement containing detailed information concerning the proposals to be considered at these meetings. Whether or not you plan to attend the Extraordinary General Meeting and/or the Special Meeting of Warrantheolders, we urge you to read these materials carefully.

Your vote is important. If you do not plan to attend the Special Meeting of Warrantheolders and/or attend the Extraordinary General Meeting of Shareholders in person, as the case may be, please sign, date and return the enclosed proxy or voting form as soon as possible to the Centralizing Agent via your custodian bank.

Only Shareholders who hold Public Shares at 6:00 p.m. CEST in Luxembourg on June 22, 2011, the record date for the Extraordinary General Meeting of Shareholders and register for the meeting by 6:00 p.m. CEST on June 29, 2011 will be entitled to vote at the Extraordinary General Meeting of Shareholders. Only warrant holders who hold Public Warrants on the day of the Special Meeting of Warrantheolders and register for the meeting by June 29, 2011 will be entitled to vote at the Special Meeting of Warrantheolders.

Please see the section titled “Risk Factors” beginning on page 46 of the proxy statement to read about certain risk factors to be considered in connection with your decision to vote to adopt the proposals set forth herein. You are encouraged to read the proxy statement carefully and in its entirety.

Thank you for your consideration of these matters.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. J. van Ommeren', with a long horizontal flourish extending to the right.

Dirk-Jan van Ommeren
Chairman of the Board of Directors

On behalf of the Board of Directors

June 7, 2011

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**FORM OF CONVENING NOTICE FOR THE
SPECIAL MEETING OF CLASS A WARRANT HOLDERS**

Helikos SE

Société européenne

(the “Company”)

Registered Office: 115, avenue Gaston Diderich L-1420 Luxembourg

R.C.S. Luxembourg B 148.525

Notice is hereby given to the holders of Class A Warrants of **Helikos SE** (the “Company”) that a

SPECIAL MEETING OF THE CLASS A WARRANTHOLDERS

will be held on **July 1, 2011 at 11:00 a.m. (eleven)** (CEST). The meeting will be held at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg.

At the special meeting, the Class A Warrantholders shall deliberate and vote on the following agenda:

AGENDA

1. Presentation of the proposed acquisition by a wholly-owned subsidiary of the Company of all the outstanding shares of Exceet Group AG (the “**Transaction**”) to which the amendment of the terms and conditions of the Class A Warrants is subject;
2. Approval of amendments to the terms and conditions of Class A Warrants with effect on the day and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG in particular providing the following:
 - Increase of the Exercise Price per Class A Share from nine euro (EUR 9) to twelve euro (EUR 12);
 - Amendment of the calculation of the formula that determines the number of Warrant Shares to be issued upon exercise of Class A Warrants so that upon exercise each holder will receive a number of Warrant Shares to be issued by the Issuer to the Warrantholder that is equal to the quotient derived from dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value on the date of exercise of the relevant Class A Warrants and the Exercise Price of the Class A Warrants by (y) twice the Fair Market Value on the date of exercise of the relevant Class A Warrants, with a maximum Fair Market Value of EUR 17;
 - Entitlement of each Class A Warrant to a cash payment of EUR 0.625 per Class A Warrant upon the consummation of the Transaction;
 - Extension of the term of the Class A Warrants to five (5) years from consummation of the Transaction;
 - Increase of the Redemption Trigger Price to seventeen euro (EUR 17).

Pursuant to clause 10.1 of the terms and conditions of the Class A Warrants, amendments of the terms and conditions of the Class A Warrants require the written consent of the holders of a majority of the outstanding Class A Warrants.

The proposed amendments to the terms and conditions of the Class A Warrants are further subject to the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction.

Documents

Copies of the proxy statement including, *inter alia*, relevant information with respect to the proposed Transaction, the draft resolutions of the special meeting of Class A Warrantholders, the proposed amended terms and conditions of Class A Warrants as well as the documents submitted to the special meeting are available on the Company’s website (www.helikosgroup.com).

Upon request, copies of the above-mentioned documents will be mailed to the Class A Warrantholders.

Number of Warrants outstanding

On the date of this convening notice, twenty million (20,000,000) Class A Warrants issued by the Company are outstanding. Each Class A Warrant entitles the holder thereof to one vote.

Right to participate in the meeting

Each Class A Warrantholder who holds one or more Class A Warrants of the Company on July 1, 2011, the date of this special meeting of warrantholders, and timely furnishes the certificate specified below, shall be admitted to participate and vote in the special meeting of Class A Warrantholders.

Class A Warrantholders (whose Class A warrants are held in book-entry form through the operator of a securities settlement system or with a professional depositary or sub-depositary designated by such depositary) should receive from such operator or depositary or sub-depositary a certificate certifying the identity of the account holder, the number of their Class A Warrants recorded in their account and confirmation that transfers of such Class A Warrants are temporarily blocked until the close of the special meeting of the warrantholders.

To participate and vote in the special meeting of Class A Warrantholders shall submit a copy of such certificate via their custodian bank by mail, by fax or by email by June 29, 2011 to the Centralizing Agent of the Company, being:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
D-60325 Frankfurt am Main, Germany
Fax: +49/69 910-38794
Email: dct.tender-offers@db.com

Any Class A Warrantholder and/or proxyholder participating in the special meeting of Class A Warrantholders in person shall carry proof of identity at such meeting.

Representation

In the event that any Class A Warrantholder appoints another person, warrantholder or not, as his proxy to vote on his behalf, the proxy should be submitted to the Centralizing Agent of the Company by mail, by fax or by email no later than on June 29, 2011.

Proxy forms provided on the website of the Company (www.helikosgroup.com) should be used and only signed proxy forms will be taken into account. One person may represent more than one Class A Warrantholder.

Proof of ownership of Class A Warrants (see above section “*Right to participate in the meeting*”) together with the completed and executed proxy form must be submitted to the Centralizing Agent by June 29, 2011.

Voting

Each Class A Warrantholder may also vote in the special meeting through a voting form. The voting form may be submitted by mail, fax or by email to the Centralizing Agent of the Company, no later than June 29, 2011 and should be accompanied by proof of ownership of Class A Warrants (see above section “*Right to participate in the meeting*”). Only voting forms provided by the Company on its website (www.helikosgroup.com) may be used and only signed and completed voting forms will be taken into account.

Language

The meeting will be held in English language.

**FORM OF CONVENING NOTICE FOR THE
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Helikos SE

Société européenne

(the “Company”)

Registered Office: 115, avenue Gaston Diderich L-1420 Luxembourg

R.C.S. Luxembourg B 148.525

Notice is hereby given to the holders of shares of **Helikos SE** (the “**Company**”) that an

EXTRAORDINARY GENERAL MEETING

of shareholders will be held on July 1, 2011 at 12:00 p.m. (noon) CEST. The meeting will be held at Hotel Le Royal, 12 boulevard Royal, L-2449 Luxembourg.

At the extraordinary general meeting, the shareholders shall deliberate and vote on the following agenda:

AGENDA

1. Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result;
2. Presentation and approval of the proposed business combination with Exceet Group AG (the “**Transaction**”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval;
3. Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
4. Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
5. Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
6. Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period: During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
7. Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011 conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
8. Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation;

9. Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation.

“**Consummation**” shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG.

“**Warrant Holder Approval**” shall mean the approval by the warrant holders of the amendment of the terms and conditions of the Class A Warrants proposed in the special meeting of warrant holders convened for July 1, 2011.

Quorum and Majorities

Pursuant to the articles of association and the law, resolutions regarding (i) item 2 of the agenda will be passed at a simple majority of the votes validly cast, only if a quorum of at least twenty-five percent (25%) of the Class A Shares is present or represented, (ii) items 3, 4, 5, 6, 7 of the agenda will be passed at a majority of 2/3 of the votes validly cast for each class of shares individually and only if a quorum of at least half of the share capital is present or represented for each class of shares individually and (iii) items 8 and 9 of the agenda will be passed at a simple majority of the votes validly cast, regardless of the portion of capital represented. Given that all resolutions are conditional upon the other resolutions being taken, the general meeting may only deliberate and vote on any item of the agenda if a quorum of at least half of the share capital is present or represented for each class of shares taken individually.

The approval of each resolution is subject to the approval of all other agenda items and the Warrant Holder Approval.

Pursuant to the articles of association, one or several shareholders representing at least five percent (5%) of the Company’s share capital may request the adjunction of one or several items to the agenda of the extraordinary general meeting by providing notice to the Company by registered letter to the attention of the board of directors, 115 avenue Gaston Diderich, L-1420 Luxembourg, prior to June 28, 2011 at 12:00 (noon) (CEST) detailing their request and the additional items of the agenda. The Company will make any amended agenda available prior to the meeting.

Documents

Copies of the proxy statement including, *inter alia*, relevant information with respect to the proposed Transaction, the draft resolutions of the general meeting as well as the documents submitted to the general meeting and the revised agenda, if any, further to a requested adjunction in accordance with the above will be available on the Company’s website (www.helikosgroup.com) as from June 9, 2011.

Upon request to info@helikosgroup.com, copies of the above-mentioned documents will be mailed to the shareholders.

Share Capital of the Company

The Company’s issued share capital is set at four hundred thousand euro (EUR 400,000) represented by (i) twenty million (20,000,000) redeemable class A shares, (ii) two million one hundred and five thousand two hundred and sixty-four (2,105,264) redeemable class B1 shares, (iii) two million one hundred and five thousand two hundred and sixty-three (2,105,263) redeemable class B2 shares, and (iv) two million one hundred and five thousand two hundred and sixty-three (2,105,263) redeemable class B3 shares.

Each share entitles the holder thereof to one vote.

Right to participate in the meeting

Any shareholder who holds one or more shares of the Company on June 22, 2011 at 6:00 p.m. (CEST) (the “**Record Date**”), and timely furnishes the certificate specified below, shall be admitted to participate and vote in the general meeting of shareholders.

Class A Shareholders (whose Class A are held in book-entry form through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the number of shares recorded in their account on the Record Date.

To participate and vote in the extraordinary general meeting, Class A Shareholders shall submit a copy of the certificate via their custodian bank by mail, by fax or by email to the Centralizing Agent in the period from June 22, 2011, 6:00 p.m. (CEST), until June 29, 2011. Shareholders having validly tendered their Class A Shares for redemption by providing a Redemption Notice to the Company and transferring the shares tendered for redemption to the special account of the Company do not need to register separately for the EGM in respect of such shares (please refer to “*Redemption process of Class A Shares*” below for more details).

To participate and vote in the extraordinary general meeting, Class B Shareholders shall submit a copy of their share certificate(s) by mail, fax or by email in the period from June 22, 2011, 6:00 p.m. (CEST) until June 29, 2011 to the Centralizing Agent of the Company, being:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
D-60325 Frankfurt am Main, Germany
Fax: +49/69 910-38794
Email: dct.tender-offers@db.com

Any shareholder and/or proxyholder participating in the EGM in person shall carry proof of identity at the extraordinary general meeting.

Representation

In the event that any shareholder appoints another person, shareholder or not, as his proxy to vote on his behalf, the proxy should be submitted by mail, fax or by email to the Centralizing Agent of the Company no later than on June 29, 2011.

Proxy forms provided on the website of the Company (www.helikosgroup.com) should be used and only signed proxy forms will be taken into account. One person may represent more than one shareholder. Shareholders having presented a Redemption Notice do not need to provide a separate proxy (see section “*Redemption process of Class A Shares*” below).

A shareholding proof (see above section “*Right to participate in the meeting*”) together with the completed and executed proxy form, if any, must be submitted from June 22, 2011 until June 29, 2011 at 6:00 p.m. (CEST).

Voting

Each shareholder may also vote in the general meeting through a voting form. The voting form may be submitted by mail, by fax or by email to the Centralizing Agent of the Company no later than on June 29, 2011 and should be accompanied by a shareholding proof (see above section “*Right to participate in the meeting*”). Only voting forms provided by the Company on its website (www.helikosgroup.com) may be used and only signed voting forms will be taken into account.

Redemption process of Class A Shares

Pursuant to the Company’s Articles, the approval of the proposed Transaction requires in addition that less than 35% of the Class A Shares have been validly tendered for redemption (the “**35% Threshold**”).

In the event a Class A Shareholder wishes to exercise his redemption rights in accordance with the articles of association, such Class A Shareholder shall follow the following procedure:

- (a) a redemption notice shall be submitted via the relevant custodian bank by mail, fax or by e-mail to the Centralizing Agent of the Company no later than 6:00 p.m. (CEST) on June 17, 2011. Only redemption notices provided by the Company on its website (www.helikosgroup.com) may be used and only signed redemption notices will be taken into account;

- (b) the Class A Shares tendered for redemption shall be transferred not later than 6:00 p.m. (CEST) June 17, 2011 to a special account of the Company being the following:

Account number: 100 8827833 01

Account name: Helikos SE Abwicklungsdepot für Aktienrückkauf-/Kaufoption

Name of Bank: Deutsche Bank AG, Frankfurt am Main

BIC-Code: DEUTDEFF

Clearstream Banking AG, Frankfurt, participant number: 7003

- (c) by submitting a redemption notice, a Class A Shareholder wishing to exercise his redemption rights grants a proxy to Mr. Dirk Jan van Ommeren, C Director of the Company or in his absence Mr. Jean-Michel Ropert, C Director of the Company, instructing that such shares shall be voted against all items of the agenda, unless and to the extent any Class B Shareholder exercise his rights under the purchase option (as defined under d) below and in the articles of association) in respect of such Class A Shares to the Company, in which case such shares shall be voted in favor of the proposed Transaction; and
- (d) by submitting a redemption notice, a Class A Shareholder wishing to exercise his redemption rights grants Oranje Nassau Participaties B.V. (the “**Wendel Shareholder**”) an option to purchase all or a portion of the Class A Shares tendered for redemption, exercisable at any time on or prior to June 21, 2011 at the redemption price of ten point zero five six seven five euro (EUR 10.05675) per Public Share (subject to rounding).

For more detailed information with respect to the redemption price, please refer to the proxy statement available on the website of the Company (www.helikosgroup.com).

A Class A Shareholder having submitted his redemption notice to the Company may withdraw such redemption notice in respect of all or a portion of the Class A Shares tendered for redemption by delivering a withdrawal notice via the relevant custodian bank by mail, fax or by email to the Centralizing Agent of the Company no later than on or prior to June 21, 2011 at 6:00 p.m. (CEST). Only withdrawal notices in the form provided by the Company on its website (www.helikosgroup.com) may be used and only signed withdrawal notices will be taken into account. In case a redemption notice is withdrawn, the shares will be returned to the holder thereof, will not be subject to the purchase option and will not be redeemed. They will be disregarded for the purpose of the determination if the 35% Threshold has been met. To participate in the general meeting, shareholders having withdrawn their Redemption Notice do not need to register for the general meeting separately, but need to provide a new form of proxy or voting form as described before in the case they are not intending to attend the general meeting in person.

Redemptions of Class A Shares are subject to the approval and consummation of the Transaction. If the Transaction is not consummated, the tendered Public Shares will be returned to the shareholders having tendered them for redemption, unless having been purchased under the purchase option described above.

Purchase option of Class B Shareholders

In the event the Wendel Shareholder wishes to exercise its option to purchase all or a portion of the Class A Shares a dissenting shareholder has tendered for redemption, it shall submit an option notice by mail, fax or by email to the Centralizing Agent of the Company at any time on or prior to June 21, 2011. Purchase option notices will substantially be in the form provided by the Company on its website (www.helikosgroup.com).

The purchase price per Class A Share pursuant to the option is equal to the redemption price of EUR 10.05625 per Public Share (subject to rounding) referred to under “*Redemption process of Class A Shares*”.

Class A Shares for which a valid withdrawal notice has been timely received will not be subject to the purchase option of the Class B Shareholders.

The transfer of title of the Public Shares for which the Purchase Option is exercised will only become effective if the Transaction is approved by the EGM. If the Transaction is approved, the Wendel Shareholder will purchase the Public Shares for which the option was exercised even if the Transaction is not consummated.

Language

The meeting will be held in English language.

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QUESTIONS AND ANSWERS ABOUT THE PROPOSALS FOR PUBLIC SHAREHOLDERS AND WARRANTHOLDERS

Q. Why am I receiving this proxy statement?

A. The Company, Ventizz, Helikos AG, the other Sellers and Exceet Group AG have entered into a Share Purchase Agreement pursuant to which, among other things, Helikos AG, a newly-formed, wholly-owned subsidiary of the Company, intends to acquire all issued and outstanding shares in Exceet Group AG.

In order to complete the Transaction on the terms set forth in the Share Purchase Agreement, the Company's Shareholders must approve each of the proposals presented to the Extraordinary Meeting of Shareholders and the holders of the Company's Public Warrants must approve the proposal submitted to the Special Meeting of Warrantholders. Each proposal, if approved, will come into effect as of the consummation of the Transaction.

You should read this proxy statement and all the annexes hereto carefully. **Your vote is important. Whether or not you plan to attend the Extraordinary General Meeting of Shareholders and/or the Special Meeting of Warrantholders, as the case may be, you are encouraged to vote as soon as possible after carefully reviewing this proxy statement and the related annexes.**

Q. What is the Exceet Group?

A. Exceet Group AG is the parent company of the Exceet Group, an integrated international embedded solutions technology group, specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range of the Exceet Group extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of its customers and of specific sectors. The Exceet Group serves customers in various sectors, including medical and healthcare, industrial automation, financial services, security, avionics (aviation and electronics), transportation, government as well as retail.

The Exceet Group believes that it is one of the leading providers of embedded electronics and security solutions in Europe. Through its Electronic Components Modules & Systems ("ECMS") segment, the Exceet Group offers embedded technologies, while its ID Management & Systems ("IDMS") segment offers a broad range of secure smart card- and reader-based solutions. The Exceet Group also leverages on its know-how and experience in these two areas, developing and providing innovative embedded security solutions for selected markets. In each of its segments, it pursues a strategy of being an integrated solutions provider, offering to customers extensive and highly customized solutions along the entire value chain, ranging from the design and application development to small series or medium-size production and after sales services. The Exceet Group consists of a total of 16 direct and indirect subsidiaries with ten production facilities located in five European countries (the Republic of Austria ("Austria"), the Czech Republic, the Federal Republic of Germany ("Germany"), the Kingdom of the Netherlands (the "Netherlands") and the Swiss Confederation ("Switzerland")), allowing it to benefit from specific local advantages (*e.g.*, customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of its customers.

In the the last three years, the Exceet Group has gained market shares through both internal growth and acquisitions of complementary businesses operating in Austria, the Czech Republic, Germany, the Netherlands and Switzerland in implementation of a “buy-and-build” strategy. Recent acquisitions include the purchase of Winter AG in December 2010, which specializes in the development and implementation of smart card-based technologies and IT (information technology) security solutions, the acquisition of the security services provider AuthentiDate International AG, completed in April 2011, and the purchase of the electronic components and systems specialist Contec Steuerungstechnik und Automation Gesellschaft m.b.H. (“Contec GmbH”), which was completed in May 2011.

The Exceet Group’s total revenue for the financial year ended December 31, 2010 was CHF 165,215 thousand (or €119,682 thousand) and for the three months ended March 31, 2011 was CHF 45,819 thousand (or €35,629 thousand). Its “EBITDA” (which the Exceet Group defines as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation) for the financial year ended December 31, 2010 was CHF 24,477 thousand (or €17,731 thousand) and for the three months ended March 31, 2011 was CHF 7,208 thousand (or €5,605 thousand). The Exceet Group had 674 employees (full-time equivalent) as of March 31, 2011.

Q. Why is the Company proposing the Transaction?

A. In the Exceet Group, the Company believes it has found a “hidden champion” in the fast growing market for embedded intelligent electronics. As a European market leader with strong German roots and presence, the Exceet Group is a trusted partner of several blue chip companies. Over the past three years, the Exceet Group’s management has proven its ability to grow revenues, drive market consolidation, and at the same time expand profitability. As a strong player in highly specialized markets with competition mainly from small independent companies, the Company believes the Exceet Group is in an excellent position to gain further market share through customized as well as innovative solutions.

Q. How is the Transaction structured?

A. The consideration under the Share Purchase will consist of €110.5 million in cash, approximately 3.1 million new Public Shares of the Company and 9 million shares of a newly-authorized class of shares of the Company called the Earnout Shares. The Earnout Shares will be convertible into Public Shares in three equal tranches based on Daily VWAP (defined elsewhere in this proxy statement) conversion thresholds of €12, €13 and €15 per Public Share, respectively.

In connection with the Share Purchase Agreement, the Founders have agreed (i) to an amendment of the terms of the outstanding Founding Warrants to provide for their redemption upon consummation of the Transaction and to use the redemption proceeds therefrom to subscribe for 1 million newly issued Class B4 Founding Shares that will convert into Public Shares based on a Daily VWAP conversion threshold of €12 per Public Share, and (ii) to an amendment of the terms of the Company’s Class B2 and Class B3 Founding Shares to increase the Daily VWAP thresholds at which such Founding Shares convert into Public Shares from €11 to €14 per Public Share and from €12 to €16 per Public Share, respectively.

Pursuant to the Share Purchase Agreement, the Company will also make a capital contribution to Exceet Group AG in an amount of between €15 million and €59.9 million determined as set forth in the Share Purchase Agreement and will repay, up to €11.1 million of certain of the outstanding indebtedness of the Exceet Group to certain Sellers. In the Share Purchase Agreement, the Company has also agreed to seek the approval of the holders of the Public Warrants to an amendment on the terms described herein.

Q. What factors did the Board consider in recommending a vote in favor of the Shareholder Proposals and Warrantholder Amendment Proposal?

A. The Board of Directors considered a wide variety of factors in connection with its evaluation of the Transaction. See “*The Company’s Board of Directors Reasons for the Approval of the Transaction.*” Some of these factors included the following:

Business factors

High barriers to entry. The Board of Directors believes that the Exceet Group benefits from high barriers to entry that derive from its focus on mission critical components and systems that are generally integrated in high-value devices and the ‘build and trust’ relationship the Exceet Group has developed with the majority of its customers.

Strong market position. The Exceet Group focuses on niche ‘specialty’ markets, as its products are generally integrated into costly devices that are produced in small & mid-sized quantities. The Board of Directors believes this represents a “sweet spot” within the electronic component market, because:

- The Exceet Group’s focus on products that are produced in small series means the quantities produced are not high enough to attract mass producers; and
- Development and certification requirements are high enough to reduce competition from smaller independent suppliers.

Significant customer stickiness. The Exceet Group has established a long-standing relationship with most of its customers. The ten largest customers of the Exceet Group, which represented 51.6% of its revenues in the year 2010, have been with the Exceet Group for over ten years on average (with the longest at 17 years).

Business attractiveness is reflected in the group’s financial performance. The Board of Directors believes the Exceet Group’s market position and barriers to entry are reflected in the group’s EBITDA margin of 14.8% in 2010, which compares favorably to the average EBITDA margins reported for public companies in the same period by mass component producers, specialty products mid-size series manufacturers, and Specialty products small series manufacturers. The Board of Directors believes this provides evidence that customers are willing to pay a premium for the Exceet Group’s value added products.

Experienced management team. The Exceet Group’s management has established a proven track record of driving revenue growth, expanding profitability and generating cash flow. The Exceet Group’s management team also has a history of acquiring companies and unlocking value during the integration process. Given the relatively strong fragmentation of the markets in which the Exceet Group operates, the Board of Directors believes this is a key management strength.

Financial factors

Organic revenue growth prospects. The Board of Directors believes the Exceet Group’s organic revenue growth should be driven by underlying growth trends in the group’s main end markets. The Exceet Group’s management has set a strategic objective of organic revenue growth in the range of 10% to 15% from 2010 to 2015, of which 2/3 should be driven by organic growth of current applications with customers, and 1/3 should come from new applications with existing and/or new customers. Market research prepared for the Company suggests the market segments the Exceet Group targets within the medical technology sector, the Exceet Group’s main vertical (accounting for approximately 50% of 2010 revenues), benefit from opportunities for secular growth driven by global trends such as aging population, rising patient awareness, technological advancement in medical imaging and increasing obesity rates. Other Exceet Group end markets (industrial automation, financial services & security) should also benefit from growth driven by such trends as replacement of traditional ID cards by digital ID, increasing electronic content within industrial and traction products as well as a general trend towards green energy solutions.

Significant M&A potential. The Exceet Group’s markets show a relatively high fragmentation, as the market is mainly made of relatively small independent players. The Board of Directors believes that customer demands for product lifecycle management by their suppliers will require suppliers to achieve scale, which should support the increasing consolidation trend. Given the M&A track record of the Exceet Group’s management, as well as the Combined Group’s expected strong balance sheet post transaction (based on a capital increase at the Exceet Group AG level of between €15 million and €59.9 million and repayment of up to €11.1 million in outstanding Exceet Group loans in connection with the Transaction), the Board of Directors believes the Exceet Group is well positioned to benefit from this M&A trend. The Board of Directors believes this lends credibility to the target of 10-20% revenue growth p.a. the Exceet Group’s management has stated it aims to achieve over the 2010 to 2015 period.

Room for margin expansion. The Exceet Group generated an EBITDA margin of 14.8% in 2010. In the first quarter of 2011, the EBITDA margin reached 15.7% (18% excluding one-off IPO costs), driven by robust trading and an improving product mix. Despite recent margin improvement, the Exceet Group’s management indicated during due diligence that it believes there is further room for margin expansion in 2011 onwards. Such expansion should be driven by cost-cutting, cost synergies, and margin improvement of recently acquired companies. The Exceet Group’s management has set an internal target of achieving an 18% EBITDA margin in the medium term.

High Free Cash Flow conversion. The Exceet Group’s Free Cash Flow conversion reached respectively 112%, 77% and 73% in 2008, 2009 and 2010. This strong performance was achieved through efficient management of working capital requirements, control on capital expenditure spending and a relatively low tax rate. Going forward, the Exceet Group’s management believes it is well positioned to continue to generate strong

Free Cash Flow conversion, because control over capital expenditures and the Exceet Group's relatively low tax rate should be recurring in nature, whereas working capital requirements still offer room for further contraction.

High ROCE. Based on the Exceet Group's historical accounts for 2010, the Company calculates that the Exceet Group generated a pre tax Return On Capital Employed (ROCE) of 17.2% (or 13.5% post tax).

Attractive purchase price. The Board of Directors believes the estimated enterprise value arising from the Transaction, based on the Exceet Group's management's objectives for the current financial year, compares favorably to the average multiples at May 30, 2011 for mass component manufacturers (SMT, TTM Tech, Benchmark, CTS, Fabrinet, Flextronics, Jabil), which were trading at 6.9x, specialty products mid-size series manufacturers (Advantech, Data Respons, Kontron, Gemalto, Smartrac, Zebra), which were trading at 8.8x, and specialty products small series makers (Mercury, Nedap), which were trading at 9.5x. The Board of Directors believes the purchase price does not fully reflect the Exceet Group's fast growth profile, added value paid for by customers, as evidenced by the group's strong margins, or its M&A potential.

Attractive Transaction Structure. The Board of Directors believes the structure of the Transaction attractively aligns the interests of the Company's Shareholders, the Founders and the Sellers. In particular:

- A significant portion of the consideration paid to the Sellers is in the form of Earnout Shares whose full value can be realized only if there is significant appreciation in the Company's Public Share price. The Board of Directors believes this structure helps align the interests of the Sellers with those of the Company's Public Shareholders in the future share price performance of the Public Shares. At the same time, this structure results in a more favorable effective purchase price if the Public Share price thresholds are not met.
- The restructuring of the Founding Shares to increase the thresholds at which they convert into Public Shares further aligns the interests of the Founders in the future share price performance of the Public Shares; and
- The exchange of the Founding Warrants for Founding Shares and the amendments to the terms of the Public Warrants will reduce the potential dilution resulting from these securities.

Other Factors

The Company's Board of Directors believes the above factors strongly support its determination and recommendation to approve the Transaction. The Company's Board of Directors did, however, consider a number of potentially negative factors, including those listed under "*The Company's Board of Directors Reasons for the Approval of the Transaction—Other Factors*" and "*Risk Factors*" among others, in its deliberations concerning the Transaction. These included:

- Acquisitions may dilute EBITDA margins and expose the Exceet Group to other risks.
- High customer concentration.
- Limited number of suppliers.
- The Exceet Group's business model may have limitations.
- Price pressure may increase in certain product segments if competitors overcome the barriers to entry noted above.
- The target markets served by the Exceet Group may grow more slowly than expected.
- Amounts paid by the Company to redeem Public Shares will reduce the funds available to the Combined Group that can be used to execute its M&A strategy.

The Board of Directors concluded that the positive factors noted above significantly outweighed these potential negative factors. Based on its consideration of the above factors, the Board of Directors concluded that the Transaction is fair to, and in the best interests of, the Company.

Q. What is being voted on?

A. The proposals on which the Company's Shareholders are being asked to vote and the proposal on which the Company's warrant holders are being asked to vote are as follows. Each of the Shareholder Proposals and the Warrant Amendment Proposal is conditioned upon the adoption of all of the Shareholder Proposals and the Warrant Amendment Proposal, and the actions contemplated therein will take place upon the consummation of the Transaction.

Shareholder Proposals

At the extraordinary general meeting of the Company's Shareholders (the "Extraordinary General Meeting" or "EGM"), the Company's Shareholders will be asked to consider and vote on the following proposals:

- **The Business Combination Proposal**—a proposal to approve the Transaction as the Company's initial Business Combination on the terms set forth in the Share Purchase Agreement;
- **The Name Change Proposal**—a proposal to approve the change of the name of the Company from "Helikos SE" to "exceet Group SE";
- **The Earnout Shares Proposal**—a proposal to approve the creation of the three tranches of Earnout Shares that will be issued to the Sellers, including the terms on which they will convert into Public Shares, to grant the Board of Directors power to give effect to such conversions, and to provide the holders of Earnout Shares with the right to propose a director for election to the Board of Directors;
- **The Founding Shares Proposal**—a proposal to amend the terms of the Founding Shares to increase the Daily VWAP thresholds at which the existing Class B2 and B3 Founding Shares convert into Public Shares, to approve the creation of the new Class B4 Founding Shares that will be issued to the Founders in exchange for the proceeds of the redemption of the Founding Warrants, including the terms on which such Founding Shares will convert into Public Shares, to grant powers to the Board of Directors to give effect to such conversions, and to provide the holders of Founding Shares with the right to propose a director for election to the Board of Directors;
- **The Authorized Capital Proposal**—a proposal to reduce the authorized capital of the Company to approximately 50.3 million shares of the Company ("Shares") from 500 million Shares and extend the Board of Directors' authorization to issue securities within the limits of such authorized capital without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued for a period of five years from the consummation of the Transaction;
- **The Articles Proposal**—a proposal to approve the amendment and restatement of the Company's Articles in full for the following primary purposes:
 - To reflect the Name Change Proposal, the Earnout Shares Proposal, the Founding Shares Proposal and the Authorized Capital Proposal;
 - To specify that the chairman of the Board shall cast the deciding vote in case of a tie vote at a meeting of the Board of Directors and to implement certain other corporate governance changes;
 - To remove provisions from the Articles that are no longer applicable after giving effect to the consummation of the Transaction;
 - To reflect certain changes to the procedures for calling and conducting shareholders' meetings in line with the Luxembourg law of May 25, 2011 implementing the European Union Directive on Shareholders' Rights (2007/36/EC) (the "Shareholders' Rights Directive"); and
 - To require the Company to obtain the approval of a majority of the holders of the Founding Shares and a majority of the holders of the Earnout Shares before paying any extraordinary dividend;
- **The Directors Proposal**—a proposal to: (i) accept the resignations and discharge from liabilities of the Company's current Directors; (ii) elect new Directors to take office upon consummation of the Transaction; and
- **The Formalities Proposal**—a proposal to grant an irrevocable power of attorney to the Board of Directors to act on behalf of Shareholders to comply with certain formalities under the Articles and Luxembourg law with respect to the conversion of the Class B Shares and Class C Shares and acknowledgment of the Consummation.

Warrant Amendment Proposal

The holders of the Public Warrants are being asked to approve an amendment to the Terms and Conditions of the Public Warrants in particular (i) to provide for the payment in cash of €0.625 per Public Warrant upon consummation of the Transaction; (ii) to amend the exercise formula for the Public Warrants to provide that the number of Public Shares received upon exercise of each Public Warrant is reduced by 50%; (iii) to increase the Public Warrant exercise price per Public Share from €9 per Public Share to €12 per Public Share; (iv) to increase the redemption trigger from €14 to €17; and (v) to extend the term of the Public Warrants from five years from the date of the IPO to five years from the Consummation of the Transaction.

Q. Are the proposals conditioned upon one another?

A. Yes. The approval of each Shareholder Proposal is conditioned on the approval of each other Shareholder Proposal and on the consummation of the Transaction. Likewise, if the Warrant Amendment Proposal is approved by the Special Meeting of Warrantholders, but some or all of the Shareholder Proposals are not approved by the EGM, the Terms and Conditions of the Public Warrants will not be amended pursuant to the Warrant Amendment Proposal. Furthermore, if the Warrant Amendment Proposal is not approved, the Company will not present the Shareholder Proposals to the Shareholders of the Company at an Extraordinary General Meeting.

If any of the Shareholder Proposals or the Warrant Amendment Proposal are not approved, if 35% or more of the outstanding Public Shares are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised), or if any closing condition is not satisfied or waived, then the Company will not proceed with the Transaction, and the Shareholder Proposals and the Warrant Amendment Proposal will not be implemented.

The closing of the Transaction is conditioned, *inter alia*, on a minimum capital contribution to the Exceet Group of €15 million. If more than approximately 25.5% of the outstanding Public Shares are validly tendered for redemption, this closing condition will not be satisfied unless Wendel Shareholder elects, in its sole discretion, to exercise the Founders' Purchase Option in a sufficient amount to ensure the minimum capital contribution is met.

Q. Why is the Company proposing the Business Combination Proposal?

A. The approval of the Transaction as the Company's initial Business Combination is a condition to the consummation of the Transaction. Under the Company's Articles the Transaction cannot proceed without first receiving shareholder approval of the Transaction as its initial Business Combination pursuant to the majority, quorum and maximum redemption provisions set forth therein. The release of the funds from the Escrow Account that will be used, *inter alia*, to pay the cash portion of the purchase price, is also conditioned upon such approval. For the reasons stated above under "*—Why is the Company proposing the Transaction?*" and "*—What factors did the Board consider in recommending a vote in favor of the Shareholder Proposals and Warrantholder Amendment Proposal?*" the Company's Board of Directors recommends that Shareholders approve the Business Combination Proposal and the Transaction.

Q. Why is the Company proposing the Warrant Amendment Proposal?

A. Warrantholders are being asked to approve the Warrant Amendment Proposal because the approval of the Warrant Amendment Proposal is a condition to the consummation of the Transaction.

Factors considered in proposing the Warrant Amendment Proposal include:

- The Company believes the proposed cash payment of €0.625 per Public Warrant, taken together with the potential appreciation in the value of the Public Warrants if the Public Share price increases, should represent an attractive package for warrantholders.
- The amendment provides warrantholders with a cash payment of €0.625 per Public Warrant in exchange for, *inter alia*, reducing the Public Shares deliverable upon exercise by 50%. This achieves the same economic effect as redeeming half of the outstanding Public Warrants at a cash payment of €1.25 per Public Warrant, which represents a premium over the last reported trading price of the Public Warrants on June 6, 2011, which was €0.85 per Public Warrant.
- Based on its negotiations with the Sellers and the advice of its financial advisors, the Company's management believes that the terms and conditions of the Public Warrants must be restructured to reduce the related dilution in order to achieve a transaction structure that is acceptable to the Sellers, attractive to the Company's Shareholders and in the best interests of the Company. In particular, reducing the potential dilution represented by the Public Warrants, together with the exchange of the Founding Warrants for new Founding Shares and the restructuring of the existing Founding Shares, made it possible to increase the per Public Share value of the Transaction, while structuring a significant portion of the purchase consideration in the form of Earnout Shares. The Company believes this allowed management to negotiate a more attractive purchase price that aligns the interests of the Sellers with those of the Company's Shareholders and warrantholders in achieving growth in the Public Share price.

Q. Why is the Company proposing the Name Change Proposal?

A. The Name Change Proposal is being presented because its approval is a condition to the consummation of the Transaction. In the judgment of the Company's Board of Directors, the change of its corporate name is desirable to reflect the Company's acquisition of the Exceet Group and the transition of the Company from a special purpose acquisition company to a holding company of Exceet Group AG.

Q. Why is the Company proposing the Earnout Shares Proposal?

A. The Earnout Shares Proposal is being presented because its approval is a condition to the consummation of the Transaction. The Earnout Shares were included as a part of the consideration for the Transaction to permit the Sellers to receive a portion of the benefits from potential increases in the price of the Public Shares after the consummation of the Transaction.

Q. Why is the Company proposing the Founding Shares Proposal?

A. The Founding Shares Proposal is being presented because its approval is a condition to the consummation of the Transaction. The Company's Board of Directors believes that this proposal, which will reduce the potential dilution presented by the Founding Shares and allow the elimination of the Founders Warrants and the potential dilution resulting therefrom, is in the best interests of the Company.

Q. Why is the Company proposing the Authorized Capital Proposal?

A. The Authorized Capital Proposal is being presented because its approval is a condition to the consummation of the Transaction. The purpose of the Authorized Capital Proposal is to reduce the authorized capital of the Company to a level the Board of Directors believes appropriate for the holding company of a group like the Exceet Group and to ensure that the Board of Directors can issue the Public Shares into which the Founding Shares and Earnout Shares are convertible and for which the Public Warrants can be exercised without affording preemption rights to Shareholders. The proposed level of authorized capital also includes an additional amount that the Board of Directors believes will be sufficient to cover Public Shares that may be issued pursuant to future management incentive plans as well as a reasonable balance for small equity financed acquisitions or capital raising activities.

Q. Why is the Company proposing the Articles Proposal?

A. The adoption of the Articles Proposal is a condition to the consummation of the Transaction. The Articles Proposal is being proposed for the following primary purposes:

- To reflect the Name Change Proposal, the Earnout Shares Proposal, the Founding Shares Proposal and the Authorized Capital Proposal;
- To specify that the chairman of the Board shall cast the deciding vote in case of a tie vote at a meeting of the Board of Directors and to implement certain other corporate governance changes;
- To remove provisions from the Articles that are no longer applicable after giving effect to the consummation of the Transaction;
- To reflect certain changes to the procedures for calling and conducting shareholders' meetings in line with the Luxembourg law of May 25, 2011 implementing the European Shareholders' Rights Directive; and
- To require the Company to obtain the approval of a majority of the holders of the Founding Shares and a majority of the holders of the Earnout Shares before paying any extraordinary dividend.

Q. Why is the Company proposing the Directors Proposal?

A. The Directors Proposal is being presented because approval of the matters presented is a condition to the consummation of the Transaction. If the Shareholders approve the Directors Proposal, the Board of Directors will initially be composed of two members proposed for appointment by Ventizz, two members proposed for appointment by the Wendel Shareholder, one member of Exceet Group AG's management and one independent Director. See "*Management of the Company Before and After the Transaction—Directors and Management of the Company following the Transaction*" in this proxy statement for more details.

Q. Why is the Company proposing the Formalities Proposal?

A. The Formalities Proposal is a condition to the consummation of the Transaction. The Company's Board of Directors believes that this proposal is in the best interests of the Company to ensure that applicable legal requirements are complied with in an efficient and timely manner.

Q. Will the Sellers and Founders be required to launch a mandatory takeover bid when the Transaction is consummated?

A. When the Transaction is consummated, the Sellers and the Founders will hold the majority of the Shares and related voting rights and will exercise significant influence over the Company. The Sellers and/or the Founders are expecting to be granted an exemption from the obligation to launch a mandatory takeover bid pursuant to Article 4(5) of the Takeover Law. No mandatory public offer for the remaining shares of the Company will be launched. Any Shareholder who does not want to remain in a minority position can sell his Public Shares on the market or exercise his right as further set out under “—How do I exercise redemption rights in respect of my Public Shares?”.

Q. Does the Exceet Group have its principal business operations in Germany?

A. In the prospectus for the Company's initial public offering (its “IPO”), the Company indicated that it would seek to acquire one or more operating businesses with principal business operations in Germany, but retained the flexibility to enter into a Business Combination with a target business that is attractive, even if it did not meet such criteria. The Exceet Group is headquartered in Switzerland and has its principal business operations in several countries, including Germany, Austria and Switzerland. The Exceet Group has strong historical roots and a significant presence in Germany, and many of its directors and officers are German citizens. Although the Exceet Group does not have its principal business operations in Germany alone, the Board of Directors has determined that the Transaction is attractive and in the best interests of the Company.

Q. Do the Founders and Directors of the Company have any conflicts of interest in connection with the Transaction?

A. The Founders and certain Directors of the Company have certain financial and personal interests in the Transaction that are different from other Shareholders. These interests may influence the Company's Directors in determining whether the terms and conditions of the Transaction are appropriate and in the Company's Shareholders' best interest and in making their recommendation that you vote in favor of the approval of the Warrant Amendment Proposal and/or the Shareholder Proposals, as the case may be. See “*Certain Relationships and Related Transactions*”.

Q. What quorum requirements must be met and what votes are required to approve the Shareholder Proposals presented at the Extraordinary General Meeting of Shareholders?

A. The following table summarizes the quorum requirements and votes required to approve each of the Shareholder Proposals being presented at the Extraordinary General Meeting of Shareholders, and at a second EGM called if the quorum requirements are not met in the first convened EGM. Please note that, given that the approval of each Shareholder Proposal is conditioned upon the approval of the other Shareholder Proposals, each of the quorum requirements listed below must be satisfied to permit deliberation on the Transaction as a whole, and each Shareholder Proposal must receive the requisite approval for any of the other Shareholder Proposals to have effect.

Proposal	Required Quorum at First EGM	Required Quorum at Second EGM (called in case of lack of quorum to consider any proposal at the first EGM)	Majority Required to Approve
Business Combination Proposal	25% of the outstanding Public Shares	None	Majority of validly cast votes of the Public Shares; and less than 35% Public Shares validly request redemption (excluding Public Shares in respect of which the Founders have exercised the Founders' Purchase Option)
Name Change Proposal, Earnout Shares Proposal, Founding Shares Proposal, Authorized Capital Proposal	Majority of the outstanding Public Shares & majority of the outstanding Founding Shares	None	Two-thirds of the validly cast votes of Public Shares; and Two-thirds of the validly cast votes of Founding Shares
Directors proposal and Formalities Proposal	None	None	Simple majority (more than 50%) of the validly cast votes of Shares

Abstentions will be counted as “present” at the EGM for the purposes of determining whether quorum requirements have been satisfied, but will not be counted in either the numerator or the denominator for the purposes of determining whether the relevant required approval threshold has been reached.

Q. What happens if the required quorum is not present to vote on the Shareholder Proposals at the Extraordinary General Meeting?

A. If the quorum requirement for any Shareholder Proposal is not satisfied, the Board of Directors intends to convene a second Extraordinary General Meeting of Shareholders to consider the Shareholder Proposals. If the quorum requirements are not met at the initial Extraordinary General Meeting, there will be no vote taken on the Shareholder Proposals at such first EGM. In that event, any Public Shares tendered for redemption will be returned to their holders and must be validly re-submitted in connection with a second convened Extraordinary General Meeting in order to be eligible for redemption if the Transaction is approved at such second general meeting. A new notice would be issued with respect to such second EGM, which would take place at least 30 days following the issuance of such notice.

No quorum would be required to adopt the Shareholder Proposals at the second extraordinary general meeting called for this purpose.

Q. What vote is required to approve the Warrant Amendment Proposal?

A. Approval of the Warrant Amendment Proposal requires the written consent of the holders of a majority of the Public Warrants outstanding as of the record date. Abstentions will have the same effect as a vote “AGAINST” the Warrant Amendment Proposal. There are no additional quorum requirements.

Q. How will the Founders of the Company vote?

A. Each of the Founders has agreed to vote its Founding Shares (to the extent such Founding Shares are eligible to vote on a given Shareholder Proposal) and any Public Shares it holds in favor of the Shareholder Proposals and to vote any Public Warrants it holds in favor of the Warrant Amendment Proposal. At the date of this proxy statement, the Company’s Founders and management beneficially owned and were entitled to vote an aggregate of 6,315,790 Founding Shares and 1,350,000 Public Shares. Those shares represent an aggregate of approximately 6.75% of the total votes represented by the Public Shares and 29.1% of the total votes represented by the Company’s outstanding Shares. While the votes of holders of Founding Shares will not be counted for the purpose of determining whether the Business Combination Proposal is adopted, the Founders have agreed to vote the Public Shares they own and any Public Shares that they may acquire in the secondary market or otherwise in favor of the Business Combination Proposal. The Founders of the Company have agreed to vote in favor of all other proposals presented at the Extraordinary General Meeting.

Q. What happens if I vote against the Business Combination Proposal? Do I have redemption rights for my Public Shares?

A. If you are a holder of Public Shares and you intend to vote against the Business Combination Proposal, you will have the right to request that the Company redeem your Public Shares in whole or in part for a pro rata portion (after reserves for taxes) of the escrow account in which a substantial portion of the net proceeds of the Company's IPO were deposited (the "Escrow Account"). To validly request redemption, you must complete the steps described below under "*How do I exercise redemption rights in respect of my Public Shares?*" by the relevant deadline.

Q. Do I have redemption rights for my Public Warrants if I vote against the Warrant Amendment Proposal?

A. No. Voting against the Warrant Amendment Proposal will not entitle you to any rights to have your Public Warrants redeemed by the Company. If the Warrant Amendment Proposal does not receive affirmative votes from a majority of the outstanding Public Warrants, such proposal will not be approved, and the conditions to the consummation of the Transaction will not be met. If the Company fails to complete an initial Business Combination by August 4, 2012, the Company will be required to liquidate and the Public Warrants and Founding Warrants will expire worthless.

Q. How do I exercise redemption rights in respect of my Public Shares?

A. If you are a holder of Public Shares and wish to exercise your redemption rights, you must do **all of the following on or prior to 6:00 p.m. CEST on June 17, 2011:**

- (i) notify the Company of your intention to vote all or part of your Public Shares against the Business Combination Proposal and request redemption of such Public Shares in writing by completing a redemption notice in the form attached to this proxy statement as Annex VI and returning it to Deutsche Bank AG (the "Centralizing Agent");
- (ii) cause the Public Shares you wish to redeem to be transferred to the blocked account specified by the Centralizing Agent for this purpose in the convening notice for the EGM and the Special Meeting (the "Convening Notice");
- (iii) grant a proxy to any of the Class C Directors of the Company, instructing that such Public Shares shall be voted against the Shareholder Proposals, unless and to the extent the Founders deliver a notice exercising their rights under the Founders' Purchase Option in respect of such Public Shares to the Company on or prior to the Business Day immediately prior to the record date for the EGM, in which case the Public Shares shall be voted in favor of the Shareholder Proposals; and
- (iv) grant the Wendel Shareholder, the entity through which Wendel SA holds its Shares in the Company, an option in the form set forth in Annex VI to this proxy statement, which is referred to as the "Founders' Purchase Option", to purchase all or a portion of the Public Shares you intend to vote against the Shareholder Proposals, exercisable at any time on or prior to the Business Day immediately preceding the record date for the EGM at a purchase price per Public Share of €10.05625.

Q. What is the Redemption Price?

A. Pursuant to the Company's Articles, the redemption price for each Public Share is calculated by dividing (a) the balance in the Escrow Account on June 7, 2011, the second Business Day prior to the first convening notice for the general meeting of Shareholders called for the purpose of approving the Transaction, after deducting reserves for taxes payable by (b) the 20,000,000 Public Shares issued in connection with the Company's IPO. Pursuant to this calculation, the redemption price per Public Share will be € 10.05625 per Public Share.

Q. Once made, can I withdraw my request for redemption of my Public Shares?

A. Yes. To withdraw your redemption notice in respect of all or a portion of the Public Shares you have tendered for redemption, you must deliver to the Centralizing Agent a withdrawal notice in the form attached as Annex VII **on or prior to 6:00 p.m. CEST on June 21, 2011.** Any Public Shares in respect of which the redemption notice is validly withdrawn will not be redeemed or purchased pursuant to the Founders' Purchase Option and the proxy granted to the Class C Directors in connection with the redemption notice will be deemed null and void in respect of the Public Shares covered by the withdrawal notice.

Q. How does the Founders' Purchase Option work?

A. To validly request redemption of Public Shares, a dissenting Shareholder must grant the Wendel Shareholder, as the majority holder of Founding Shares, an option, exercisable at any time on or prior to June 21, 2011, to purchase all or a portion of the Public Shares such dissenting Shareholder has tendered for redemption. The purchase price per Public Share pursuant to the option is € 10.05625 per Public Share, the same amount as the redemption price that would otherwise be payable if the Company redeemed such Public Shares. Public Shares for which a valid withdrawal notice has been timely received will not be subject to the Founders' Purchase Option. Payment for such purchases will be made by the Wendel Shareholder to the Company promptly after the approval of the Transaction, and the Company will in turn deliver the applicable purchase price to each Public Shareholder whose Public Shares have been purchased pursuant to the Founders' Purchase Option.

Q. What is the maximum amount of Public Shares that will be redeemed?

A. If 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares, or if any of the other Shareholder Proposals are not approved by the required majorities, the Company will not be permitted under its Articles to consummate the Transaction and your Public Shares will not be redeemed. The closing of the Transaction is conditioned on a minimum capital contribution to the Exceet Group of €15 million. If more than approximately 25.5% of the outstanding Public Shares are validly tendered for redemption, this closing condition will not be satisfied unless the Wendel Shareholder elects, in its sole discretion, to exercise the Founders' Purchase Option in a sufficient amount to ensure the minimum capital contribution is met.

Q. What will happen to Public Shares tendered for redemption if the Transaction is not approved by the EGM?

A. If the Transaction is not approved by the EGM, (i) no Public Shares will be redeemed, (ii) no Public Shares will be purchased under the Founders' Purchase Option, and (iii) any tendered Public Shares will be returned to the holder. If the Transaction is approved by the EGM, the Wendel Shareholder will purchase all Public Shares as to which the Wendel Shareholder has exercised the Founders' Purchase Option, regardless of whether the Transaction is ultimately consummated. If the Transaction is approved by the EGM but is ultimately not consummated, the Public Shares tendered for redemption will not be redeemed and will be returned to the holders promptly after abandonment of the Transaction unless they have been purchased pursuant to the Founders' Purchase Option.

Q. Do I have appraisal rights if I object to the Transaction?

A. No appraisal rights are available under Luxembourg law in connection with the proposed Transaction.

Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?

A. The amount remaining in the Escrow Account after payment of redemptions, together with the remaining balance of the initial working capital allowance and subsequent interest distributions from the Escrow Account, will be used to pay the Company's obligations in connection with the Transaction, which include:

- €110.5 million in cash to be paid to the Sellers under the Share Purchase Agreement;
- a cash contribution of between €15 million and €59.9 million to the statutory reserves of Exceet Group AG, depending on the level of valid redemption requests and the extent of any exercise of the Founders' Purchase Option;
- the repayment on behalf of certain members of the Exceet Group of between €4.7 million and €11.1 million in shareholder loans owed to certain of the Sellers;
- €12.5 million to be paid to the holders of Public Warrants pursuant to the Warrant Amendment Proposal;
- firm deferred underwriting commissions of 1.25% of the adjusted gross proceeds of the IPO, expected to amount to between €1.6 million (if 35% of the Public Shares minus one Public Share are redeemed by the Company or purchased by the Founders pursuant to the Founders' Purchase Option) and €2.5 million (assuming no redemptions or purchases under the Founders' Purchase Option);

- discretionary deferred underwriting commissions to the IPO underwriters in an amount to be determined by the Company of up to 1.00% of the adjusted gross proceeds of the IPO. If the full 1.00% were paid, these commissions would amount to between €1.3 million (if 35% of the Public Shares minus one Public Share are redeemed or purchased) and €2.0 million (assuming no redemptions or purchases);
- estimated direct attributable transaction costs payable by the Company of approximately €7.9 million; and
- accrued tax obligations of approximately €0.1 million on income earned on the Escrow Account.

Any remaining amounts will remain as funds of the Combined Group and will be used for general corporate purposes.

If no Public Shares are redeemed by the Company in connection with the Transaction, on a pro forma basis as described in the Unaudited Pro Forma Financial Statements of the Company, the consolidated cash on hand of the combined group formed by the Transaction (the “Combined Group”) at March 31, 2011 after adjusting for the Transaction is €71.8 million, assuming no redemptions of Public Shares. Assuming valid redemption requests are made in respect of 35% of the outstanding Public Shares minus one Public Share, and a sufficient exercise of the Founders’ Purchase Option is made to ensure the required €15 million minimum capital contribution to Exceet Group AG, the pro forma cash and cash equivalents on hand of the new Combined Group at such date would be approximately €27.9 million.

In connection with the consummation of the Transaction, the Escrow Account itself will be terminated since its purpose, to fund a Business Combination, will have been completed.

Q. What will happen to the Founding Warrants upon consummation of the Business Combination?

A. The Founders have agreed to amend the terms of the Founding Warrants to provide for their redemption in full upon consummation of the Transaction. The total redemption price paid for the Founding Warrants will then be used by the Founders to subscribe for 1 million newly issued Founding Shares to be issued at consummation of the Transaction.

Q. When is the Transaction expected to be completed?

A. It is currently anticipated that the Transaction will be consummated promptly following the satisfaction or waiver of all conditions to the consummation of the Transaction, including approval of the Shareholder Proposals and the Warrant Amendment Proposal.

Q. What happens if the Transaction is not consummated?

A. If the Transaction is not consummated, the amendments to the Articles and the terms and conditions of the Public Warrants will not take effect and none of the transactions contemplated by the Share Purchase Agreement will be consummated. Public Shares tendered for redemption will not be redeemed and will be returned to the tendering Shareholders unless they have already been purchased by the Wendel Shareholder pursuant to the Founders’ Purchase Option following EGM approval of the Transaction.

The Company’s management expects that the negotiation and documentation of the Transaction will use substantially all of the remaining amounts of the Company’s initial working capital allowance and the amounts of interest that have been released from the Escrow Account for working capital purposes. Accordingly, the Company may not have sufficient remaining funds to seek and negotiate an alternative Business Combination if the Transaction is not approved and consummated. If the Transaction is not consummated and no other Business Combination is consummated before August 4, 2012, the Company will liquidate and transfer substantially all of its assets to its Shareholders (other than the Founders) and the outstanding Public Warrants and Founding Warrants will expire worthless.

Q. What do I need to do now?

A. You are urged to carefully read and consider the information contained in this proxy statement, including the annexes, and to consider how the Transaction will affect you as a Shareholder of the Company and how the Warrant Amendment Proposal will affect you as a warrantholder, as the case may be. You should then vote as soon as possible in accordance with the instructions provided in this proxy statement.

Q. I hold more than 2% of the Company's Public Shares, but have not made the required declarations to the Company under the Company's Articles and Luxembourg law. Can I vote my Public Shares at the EGM?

A: Any Public Shareholder, together with any affiliates (as defined in the Articles) and any Public Shareholder with whom such Public Shareholder is acting as a group, whose aggregate shareholding exceeds 2% of the issued Public Shares at any time or any multiple thereof is required under the Company's Articles to provide the Company with written notice of such event within four business days of such event. Until such notice is given, the voting rights attaching to the portion of such holder's Public Shares which exceed the relevant threshold are suspended.

In addition, where a Shareholder acquires or disposes of Shares, such Shareholder is required to notify the Company in accordance with the Luxembourg law of January 11, 2008 on transparency requirements for issuers of securities of the proportion of voting rights he holds in the Company as a result of the acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3%. Until such notice is made, the voting rights attaching to the fraction of Shares exceeding the relevant threshold are suspended.

Q. How do I vote?

A. If you are a holder of record of Public Warrants as of the day of the Special Meeting of Warrantholders or Shares on the record date of June 22, 2011, you may vote with respect to the applicable proposals in several ways:

Voting in Person

Any Shareholder who holds one or more Shares of the Company on the record date shall be admitted to the Extraordinary General Meeting, subject to timely submission of the certificate described below. Any warrant holder who holds one or more Public Warrants on the day of the Special Meeting of Warrantholders shall be admitted to the Special Meeting of Warrantholders, subject to timely submission of the certificate described below.

Public Shareholders (whose shares are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the number of Public Shares recorded in their account on the Record Date. To participate and vote in the extraordinary general meeting, Public Shareholders shall submit a copy of the certificate to the Company via their custodian bank by mail, by fax or by email to the Centralizing Agent in the period from June 23, 2011 until June 29, 2011.

Warrantholders (whose warrants are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the identity of the account holder, the number of Public Warrants recorded in their account and confirmation that transfers of such Public Warrants will be temporarily blocked until the close of the Special Meeting of Warrantholders. To participate and vote in the Special Meeting, warrant holders shall submit a copy of such certificate via their custodian bank by mail, by fax or by email by June 29, 2011 to the Centralizing Agent of the Company.

As soon as the Centralizing Agent has received the relevant certificate, an attendance card will be sent to the relevant Shareholder or warrant holder directly or through their broker, bank or nominee, if applicable. This attendance card may take time to reach the Shareholder or warrant holder.

Representation by Proxy

Holders of Shares or Public Warrants who are unable to attend the Extraordinary General Meeting or Special Meeting of Warrantholders in person may give voting instructions to the chairman of the Board of Directors, or to any other person designated by them.

Prior to giving voting instructions to the chairman of the Board of Directors, Shareholders and warrant holders must have obtained and delivered to the Centralizing Agent the completed, dated and signed proxy form and the certificates described above (see "*—Voting in Person*"). The proxy forms, which are attached hereto in Annex V, may also be obtained from the relevant Centralizing Agent or downloaded from the Company's website.

The completed, signed and dated proxy form must be received together with the relevant certificate by the Centralizing Agent no later than on June 29, 2011.

A holder that wishes to be represented by a proxy other than the chairman of the Board of Directors must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). In addition, the person appointed as proxy must bring to the Extraordinary General Meeting the completed, dated and signed proxy form obtained from the Centralizing Agent or downloaded from the Company’s website. A copy of the completed, signed and dated proxy form must be returned together with the relevant certificate to the Centralizing Agent no later than on June 29, 2011.

Completing the proxy form and receiving and delivering the relevant certificate to the Centralizing Agent will take time. Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a proxy but who wish to revoke such proxy may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Voting Forms

You may also vote at the Extraordinary General Meeting or Special Meeting of Warrant holders through a voting form obtained from the Centralizing Agent or downloaded from the Company’s website, also attached hereto in Annex V. To use a voting form, you must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). A relevant certificate must be submitted together with the voting form to the Centralizing Agent no later than on June 29, 2011.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a voting form but who wish to revoke such voting form may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Completing the voting form and receiving and delivering the relevant certificate will take time to accomplish; Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Q. What will happen if I abstain from voting at the Extraordinary General Meeting of Shareholders or Special Meeting of Warrant holders?

A. The Company will count a properly executed proxy or voting card marked “ABSTAIN” with respect to a particular proposal presented at the Extraordinary General Meeting of Shareholders as present for purposes of determining whether a quorum is present.

Abstentions are not treated as votes under Luxembourg law and the Company’s Articles and will have no effect on any of the Shareholder Proposals. If you abstain from voting on the Business Combination Proposal, you will not be able to validly request redemption rights in respect of your Public Shares. In order to exercise your redemption rights, you must follow the procedures described above.

An abstention from voting on the Warrant Amendment Proposal to be presented to the warrant holders will have same effect as a vote “AGAINST” this proposal.

Q. What will happen if I sign and return my proxy card without indicating how I wish to vote?

A. Signed and dated proxies received by the Company without an indication of how the warrant holder or Shareholder intends to vote on a proposal will be voted in accordance with the recommendation of the Board of Directors, *i.e.*, in favor of each proposal presented to warrant holders or Shareholders, as the case may be.

Q. What will happen if I sign and return a voting form without indicating how I wish to vote?

A. Signed and dated voting forms received by the Company without an indication of how the warrant holder or Shareholder intends to vote on a proposal, and without granting a proxy, will be counted as an abstention with respect to each proposal presented to warrant holders or Shareholders, as the case may be.

Q. If I am not going to attend the Special Meeting of Warrantholders or the Extraordinary General Meeting in person, should I return my proxy card or a voting form instead?

A. Yes. Whether or not you plan to attend the Special Meeting of Warrantholders or the Extraordinary General Meeting, after carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy card or voting form. Then return the enclosed proxy card or voting form together with the relevant certificate described in “—How do I vote” as soon as possible, to ensure your Public Warrants or Public Shares are represented at the Special Meeting of Warrantholders or the Extraordinary General Meeting, as the case may be.

Q. If my Public Warrants or Public Shares are held in “street name”, via a broker, bank or nominee, will my broker, bank or nominee automatically vote my warrants or shares for me?

A. Check with your broker, bank or nominee. Depending on the arrangements you have with your broker, bank or nominee and applicable law in the jurisdiction in which your securities are held, your broker, bank or nominee may not be able to vote or may decline to vote your Public Warrants or Public Shares for you unless you provide voting instructions. If you do not provide instructions, your broker, bank or nominee may deliver a proxy card or voting form indicating that it is not voting your Public Shares or Public Warrants, or may decline to take any action.

Q. May I change my vote after I have mailed my signed proxy card?

A. Yes. Holders of Public Shares and/or Public Warrants who have obtained the relevant certificate and have executed a proxy but who wish to revoke such proxy may do so by timely delivering a properly executed later-dated proxy or later-dated voting form (which will be deemed to revoke the earlier proxy) to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting and/or the Special Meeting of Warrantholders, as the case may be.

Complying with the process to revoke an already-submitted proxy by executing and delivering a later-dated proxy or later-dated voting form may take time, and no assurance can be given that it will be possible to do so in a timely manner. Shareholders and warrant holders should be mindful of the time constraints if they wish to execute a later-dated proxy or later-dated voting form. If a Shareholder or warrant holder wishes to attend the EGM or Special Meeting, respectively, despite having already properly delivered a proxy card to the Centralizing Agent, the Shareholder or warrant holder will be required to comply with the procedures set forth under “—How do I vote?—Voting in Person”.

Q. May I change my vote after I have mailed my signed voting form?

A. Yes. Holders of Public Shares and/or Public Warrants who have obtained the relevant certificate and have executed a voting form but who wish to revoke such voting form may do so by timely delivering a properly executed later-dated voting form or later-dated proxy (which will be deemed to revoke the earlier voting form) to the relevant Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting and/or the Special Meeting of Warrantholders, as the case may be.

Complying with the process to revoke an already-submitted voting form by executing and delivering a later-dated proxy or later-dated voting form may take time, and no assurance can be given that it will be possible to do so in a timely manner. Shareholders and warrant holders should be mindful of the time constraints if they wish to execute a later-dated voting form or later dated proxy. If a Shareholder or warrant holder wishes to attend the EGM or Special Meeting, respectively, despite having already properly delivered a voting form to the Centralizing Agent, the Shareholder or warrant holder will be required to comply with the procedures set forth under “—How do I vote?—Voting in Person”.

Q. What are the key dates for the Transaction?

A: Public Shareholders and warrant holders should be aware of the following dates with respect to the Extraordinary General Meeting of Shareholders, the Special Meeting of Warrant holders, and the Transaction. Please note that some of these dates may be subject to change:

Deadline for receipt of redemption request from Public Shareholders wishing to redeem	June 17, 2011, at 6:00 p.m. CEST
Last date on which a Public Shareholder may withdraw a previously-submitted request for redemption	June 21, 2011 at 6:00 p.m. CEST
Last date on which the Wendel Shareholder may submit a notice exercising the Founders' Purchase Option	June 21, 2011
Record date for EGM	June 22, 2011 at 6:00 p.m. CEST
Registration deadline to attend EGM and/or Special Meeting in person	June 29, 2011 at 6:00 p.m. CEST
Deadline for submission of proxies and voting forms	June 29, 2011 at 6:00 p.m. CEST
Special Meeting of Warrant holders	July 1, 2011 at 11:00 a.m. CEST
Extraordinary General Meeting of Shareholders	July 1, 2011 at 12:00 p.m. CEST
Consummation of the Transaction	The fourth Business Day following satisfaction of all conditions

Q. Who can help answer my questions?

A. If you have questions about the EGM and/or the Special Meeting of Warrant holders or if you need additional copies of the proxy statement or the enclosed proxy card you should contact the Centralizing Agent at:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
60325 Frankfurt am Main, Germany
Fax: +49/69/910-38794
Email: dct.tender-offers@db.com

If you have questions about the Transaction, you should contact the Company at:

Helikos SE
Attn: Roland Lienau
Albrecht von Alvensleben
Email: info@helikosgroup.com

You may also obtain additional information about the Company from documents published and/or filed in accordance with applicable law by following the instructions in the section entitled "*Additional Information—Available Information*".

SUMMARY

This summary highlights selected information from this proxy statement and is qualified in its entirety by the more detailed information included elsewhere in this proxy statement. Because this is a summary, it may not contain all of the information that is material or important to you. Accordingly, you should read this entire proxy statement carefully, including the annexes.

PARTIES TO THE TRANSACTION

Helikos SE

The Company (together with its consolidated subsidiaries prior to the Transaction, the “Helikos Group”) was incorporated as a *Société Européenne* under the law of Luxembourg on October 9, 2009, with its registered offices at 115, avenue Gaston Diderich, L-1420 Luxembourg. The Company was established for the purpose of acquiring one or more operating businesses through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction, and acts as an investment holding company. The Company carried out its initial public offering (its “IPO”) on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on February 4, 2010.

To date, the Company’s efforts have been limited to organizational activities, its IPO and the search for a suitable business combination (as defined by Article 14.1 of the Company’s Articles, a “Business Combination”). If the Transaction is not consummated and no other Business Combination is consummated before August 4, 2012, the Company will liquidate and transfer substantially all of its assets to its Shareholders (other than the Founders) and the outstanding Public Warrants and Founding Warrants will expire worthless. The Company’s Public Shares and Public Warrants are listed on the Frankfurt Stock Exchange under the symbols HIT and HIT1, respectively. Following the Transaction, the Public Shares and Public Warrants will continue to be listed on the Frankfurt Stock Exchange.

Exceet Group AG

Exceet Group AG is the parent company of the Exceet Group, an integrated international embedded solutions technology group, specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range of the Exceet Group extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of its customers and of specific sectors. The Exceet Group serves customers in various sectors, including medical and healthcare, industrial automation, financial services, security, avionics (aviation and electronics), transportation, government as well as retail.

The Exceet Group believes that it is one of the leading providers of embedded electronics and security solutions in Europe. Through its Electronic Components Modules & Systems (“ECMS”) segment, the Exceet Group offers embedded technologies, while its ID Management & Systems (“IDMS”) segment offers a broad range of secure smart card- and reader-based solutions. The Exceet Group also leverages on its know-how and experience in these two areas, developing and providing innovative embedded security solutions for selected markets. In each of its segments and with its offerings, it pursues a strategy of being an integrated solutions provider, offering to customers extensive and highly customized solutions along the entire value chain, ranging from the design and application development to small series or medium-size production and after sales services. The Exceet Group consists of a total of 16 direct and indirect subsidiaries with ten production facilities located in five European countries (Austria, the Czech Republic, the Federal Republic of Germany, the Netherlands and Switzerland), allowing it to benefit from specific local advantages (*e.g.*, customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of its customers.

In the last three years, the Exceet Group has gained market share through both internal growth and acquisitions of complementary businesses operating in Austria, the Czech Republic, Germany, the Netherlands and Switzerland in implementation of a “buy-and-build” strategy. Recent acquisitions include the purchase of Winter AG in December 2010, which specializes in the development and implementation of smart card-based technologies and IT (information technology) security solutions, the acquisition of the security services provider AuthentiDate International AG, completed in April 2011, and the purchase of the electronic components and systems specialist Contec Steuerungstechnik und Automation Gesellschaft m.b.H. (“Contec GmbH”), which was completed in May 2011.

The Exceet Group's total revenue for the financial year ended December 31, 2010 was CHF 165,215 thousand (or €119,682 thousand) and for the three months ended March 31, 2011 was CHF 45,819 thousand (or €35,629 thousand). Its ECMS segment accounted for 66.5% and 68.0% of its total revenues in the financial year ended December 31, 2010 and the three months ended March 31, 2011, respectively, and its IDMS segment for 33.5% and 32.0%, respectively. The Exceet Group estimates that in the financial year 2010, transactions with customers from the medical sector accounted for approximately 50%, from the industrial automation sector for around 20%, from the security sector for approximately 5% and from all other market sectors for around 15% of its total sales. Its "EBITDA" (which the Exceet Group defines as operating result before interest and income taxes ("EBIT") plus amortization and depreciation) for the financial year ended December 31, 2010 was CHF 24,477 thousand (or €17,731 thousand) and for the three months ended March 31, 2011 was CHF 7,208 thousand (or €5,605 thousand). The Exceet Group had 674 employees (full-time equivalent) as of March 31, 2011.

Electronic Components Modules and Systems

In the ECMS segment, the Exceet Group develops and manufactures complex embedded electronic products with a strong focus on miniaturization, cost optimization and just-in-time availability for its customers. Its ECMS segment is characterized by a wide variety of innovative embedded electronic solutions tailored to sector- and customer-specific requirements and sold worldwide to customers from a broad range of industries.

In particular, this segment provides the following products and services to customers of the Exceet Group in the medical and healthcare, industrial automation and security and avionics industries:

- design, development, prototyping, production and testing of flexible, rigid-flexible, rigid and high density printed circuit boards ("PCB"s) for highly reliable miniaturized electronic applications, embedded electronic modules, systems and software;
- individual procurement and flexible logistics solutions; and
- after sales and lifecycle management services for its products (including the long-term storage of products and components for its customers, repair and replacing services and the redesign of products and components, for example, in cases of component changes).

The ECMS segment strategy of the Exceet Group is to constantly expand its portfolio of embedded electronic products. For example, its ECMS segment, in cooperation with its two other business segments, is currently developing a PCB with an integrated RFID tag (a microchip combined with an antenna in a compact package using radio frequency identification), allowing for a tracking of all operations performed on the PCB.

Total revenue generated by the ECMS segment was CHF 109,863 thousand (or €79,585 thousand) for the financial year ended December 31, 2010 and CHF 31,174 thousand (or €24,241 thousand) for the three months ended March 31, 2011. EBITDA for the ECMS segment for the financial year ended December 31, 2010 was CHF 23,690 thousand (or €17,161 thousand) and for the three months ended March 31, 2011 CHF 7,858 thousand (or €6,110 thousand).

ID Management and Systems

In its IDMS segment, the Exceet Group focuses on the designing, developing and manufacturing of contact and contactless smart cards, multi-functional cards, card readers as well as providing related services. With its focus on tailor-made, innovative solutions, highest quality and security standards, the Exceet Group considers its IDMS segment to be one of the leading full-service providers for high-tech smart cards and readers for small and mid-size volumes in Europe.

Products and services provided by the IDMS segment of the Exceet Group to its customers in the industry segments financial services, security, government, transportation, medical and healthcare as well as retail include:

- design, development and production of hybrid cards (*i.e.*, a particular type of smart cards, which has two chips, one with a contact interface and one with a contactless interface), dual-interface cards (*i.e.*, a particular type of smart card with a single chip with both, contact and contactless interfaces), multi-functional cards, contact chip cards, RFID cards and transponders, including customized chip software solutions, magnetic strip cards, scratch cards and other plastic cards;

- design, development and production of contact and contactless card readers and dual-interface readers; and
- card personalization, packaging and mailing services.

Pursuing its strategy of systematically enlarging the product and solutions offering, the IDMS segment of the Exceet Group is currently, *inter alia*, developing biometric smart cards for applications requiring a high level of security.

Total revenue generated by the IDMS segment was CHF 55,357 thousand (or €40,101 thousand) for the financial year ended December 31, 2010 and CHF 14,649 thousand (or €11,391 thousand) for the three months ended March 31, 2011. EBITDA for the IDMS segment for the financial year ended December 31, 2010 was CHF 4,714 thousand (or €3,415 thousand) and for the three months ended March 31, 2011 CHF 1,489 thousand (or €1,158 thousand).

Embedded Security Solutions

In embedded security solutions, the Exceet Group leverages its technological and process know-how, experience and competences gained through its operations in the ECMS and IDMS business segments for developing highly customized embedded security solutions, with the objective of fulfilling highest security standards. This allows it to offer a broad range of secure solutions to customers in the medical and healthcare, industrial automation, financial services, security, avionics, and government business sectors including the design, development, prototyping and production of secure card-reader-middleware bundles (combinations of smart cards, smart card readers and compatible middleware and the design, development, production and maintenance of secure identity and access management systems.

In this promising market, the Exceet Group plans to continue to expand its product portfolio, offer unique security solutions to its customers and expand its customer reach. For example, based on the RFID technology-enhanced PCBs which are currently developed by its ECMS segment, the Exceet Group intends to develop a modular product family of embedded security solutions for tailored applications. The Exceet Group currently expects to start offering first solutions by the end of 2011.

Key Strengths of the Exceet Group

The Company believes the following strengths will allow the Exceet Group to execute its growth strategy described below, if the Transaction is consummated:

- ***Unique know-how and broad range of technologies and products.*** The Exceet Group has available a broad set of technologies and combines unique technological competence and development and manufacturing know-how in the areas of intelligent embedded electronic components, modules and systems, identification through smart cards and reading devices as well as embedded security solutions, allowing it to offer to its customers a large range of highly customized sector-specific products and solutions fulfilling highest quality and security standards.
- ***Strong manufacturing and implementation competences.*** The Exceet Group owns and controls state-of-the-art production facilities located in five European countries (Austria, the Czech Republic, Germany, the Netherlands and Switzerland), enabling it to be flexible and respond in a timely manner to its customers' needs and to adjust its production processes to meet specific requirements at highest security standards.

- ***Long-lasting customer relationships with market leaders for technology and long-standing supplier relationships.*** The Exceet Group has a broad and well established blue chip customer base in numerous vertical markets and maintains long-lasting customer relationships in each of its business segments. Its ten largest customers in the year 2010 have been with some of its group companies for over ten years on average, with the longest at 17 years. On the supply side, the Exceet Group has established long-standing relationships with a diversified set of producers and distributors for its key materials, allowing it to react to production demands with flexibility and on short notice.
- ***Leading positions in selected dynamic growth end markets with high market entry barriers.*** With its products the Exceet Group focuses on selected dynamic growth end markets with a strong need for innovative embedded products and solutions and a growing need for secure transactions and identity and access control, allowing it to realize high margins. All of the end markets in which the Exceet Group is active show attractive growth rates. In its ECMS and IDMS business segments, the Exceet Group believes it has leading market positions in Europe and the Exceet Group believes its new embedded security solutions product offering to be unique in Europe. All of the Exceet Group's business segments offer products and services along the entire value chain, which allows it to further expand its business. In addition, the Exceet Group believes that such markets are characterized by high market entry barriers.
- ***Proven platform for and track record of consolidation in fragmented industry.*** Since the inception of the Exceet Group in 2006, it has focused on strategic growth through implementation of a "buy-and-build" strategy. The Exceet Group has the required experience, a proven track record and it thinks a good reputation in its industry and among its small and mid-size competitors for selecting and moving fragmented businesses with limited economies of scale, disintegrated value chain, interface-related inefficiencies and limited pricing power and margin pressure into a strategic platform and subsequently integrating them into its established structures.
- ***Strong financial track record of revenue growth, strong earnings and cash flow generation.*** Since the establishment of the Exceet Group in 2006, it has managed to increase its revenues every year and has generated overall margin growth, despite the recent significant downturn in the global economy (particularly in 2009). In the financial year 2010, the Exceet Group's EBITDA recovered strongly after the worldwide economic crisis in 2009 and its EBITDA margin exceeded the pre-crisis level of 2008. Furthermore, the net income of the Exceet Group and its net income margin have increased in the last three years, despite the expense incurred in connection with the integration of various acquisitions in the last years. Such acquisitions also allowed the Exceet Group to realize economies of scale in terms of purchase, strategy and marketing, and led to a stabilization of its cash flows.
- ***Highly experienced management team with a proven ability to execute growth strategy.*** The stable management team of the Exceet Group has extensive knowledge of the European intelligent electronics, embedded solutions and authentication industry and a proven ability to execute a growth strategy and in particular an extensive track record in the integration of acquired businesses.

Strategy of the Exceet Group

The financial objectives of the Exceet Group are to achieve an organic revenue growth of 10-15% per year and a revenue growth through acquisitions of 10-20% per year and to increase its EBITDA margin in the medium term to 18%. The key components of the strategy of the Exceet Group to further improve its profitability are as follows:

- ***Systematic exploitation of growth opportunities and customer diversification in the ECMS and IDMS segments of the Exceet Group.*** One of the main strategic goals of the Exceet Group is to grow market share in the growth markets in which it is already established with its ECMS and IDMS segments and to extend its business operations in those markets and industry segments to new customer groups. The Exceet Group intends to continue its geographic expansion, hereby enlarging its strong European footprint, and to broaden its vertical penetration by extending its product offering to additional attractive sub-sectors within its established market verticals. The Exceet Group also intends to continue identifying cross-selling opportunities throughout the entire Exceet Group and systematically exploit them.
- ***Further development of Embedded Security Solutions.*** Based on its market analysis as well as indications and requests from its customers the Exceet Group knows that there is a strong demand in specific industries and market segments for comprehensive and integrated high security products

tailored to the specific requirements of such sectors, and the Exceet Group plans to respond by offering innovative embedded security solutions. Through its operations in the ECMS and IDMS segments the Exceet Group has the required in-depth understanding of embedded electronics and card-based security solutions to offer unique segment-specific security solutions. Being among the first providers to satisfy such demand, the Exceet Group intends to benefit from the expected growth opportunities in this area.

- ***Further strengthening of the Exceet Group's business model through strategic acquisitions.*** The plan of the Exceet Group is to continue an active monitoring of the market for opportunities to strengthen its business model through selected strategic acquisitions of complementary companies, with a focus on companies with annual sales in the range between €25 million and €50 million, in all of its business segments.
- ***Continuous improvement of product quality and technological competence as well as production processes.*** The Exceet Group plans to secure and further expand the technology leadership position which it believes its business segments occupy in their targeted industries and the high technological expertise of the Exceet Group in each of its business segments through continuous and comprehensive development activities in connection with innovative product offerings.

SELECTED HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION OF EXCEET GROUP AG

The selected historical consolidated financial and operating data set forth below as of and for the financial years ended December 31, 2010, 2009 and 2008 have been taken or derived from Exceet Group AG's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") and included in the "Financial Statements" section of this proxy statement. The consolidated financial statements as of and for the financial years ended December 31, 2010, 2009 and 2008 have been audited by PricewaterhouseCoopers AG, Zurich, Switzerland, as set forth in their auditor's report included in the "Financial Statements" section of this proxy statement. The selected historical interim consolidated financial and operating data set forth below as of and for the three months ended March 31, 2011 and 2010 have been extracted or derived from Exceet Group AG's unaudited consolidated interim financial statements, prepared in accordance with IFRS, and are included in the "Financial Statements" section of this proxy statement. Some of the performance indicators and ratios reproduced below were taken from Exceet Group AG's accounting records.

The historical consolidated financial statements of Exceet Group AG for the financial year ended December 31, 2010 do not contain any income statement data regarding Winter AG, which was acquired as of December 29, 2010. The historical consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011 do not contain any income statement and balance sheet data regarding Contec Steuerungstechnik und Automation Gesellschaft m.b.H. ("Contec GmbH"), which was acquired through an intermediate Austrian holding company by way of a share purchase agreement dated March 8, 2011, and which acquisition closed on May 4, 2011. To reflect the changes to the Exceet Group occurring due to the acquisition of Winter AG as of December 29, 2010 as well as the acquisition of Contec GmbH as of May 4, 2011, Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011 (in accordance with the German Auditors Institute (IDW) Accounting Notice: Preparing pro forma financial data (IDW AcPS AAB 1.004)), which presents the acquisition of the afore-mentioned two companies as if they had taken place at the beginning of the financial year 2010. This pro-forma financial information has been audited by PricewaterhouseCoopers AG, Zurich, Switzerland, in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in their auditor's report included in the "Financial Statements" section of this proxy statement. This pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011 and 2010. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the actual financial situation of the Exceet Group or its actual results. This information does not purport to represent what the Exceet Group's actual results would have been had the acquisition of the afore-mentioned two companies taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group. The selected pro-forma financial information set forth below for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011 has been extracted or derived from this pro-forma financial information.

Where financial data in the following tables is labeled "audited", this means that it was taken from the audited consolidated financial statements mentioned above; however, the tables as such have not been subject to an audit. The label "unaudited" is used in the following tables to indicate financial data (including pro-forma financial information) that was taken from a source other than the audited consolidated financial statements mentioned above. All of the financial data presented in the text and tables in this section of the proxy statement is shown in thousands of Swiss francs (CHF thousand), commercially rounded to one decimal point. Unless expressly otherwise noted, the percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point. Because of this rounding, the figures shown in the tables do not in all cases add up exactly to the respective totals given, and the percentages shown do not always add up exactly to 100 percent.

The following selected financial information of Exceet Group AG should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group”, “Pro-Forma Financial Information of the Exceet Group” and Exceet Group AG’s consolidated financial statements and pro-forma financial information included in the “Financial Statements” section of this proxy statement.

Consolidated Historical and Pro-Forma Combined Income Statement Data

	For the three months ended March 31		For the financial year ended December 31			Pro-forma information for the three months ended March 31(1)	Pro-forma information for the financial year ended December 31(1)	
	2011	2010	2010	2009	2008	2011	2010	
	CHF	CHF	CHF	CHF	CHF	CHF	€(2)	CHF
	(unaudited)		(in thousands) (audited)			(unaudited)(3)		
Revenue	45,819	35,766	165,215	119,488	81,669	54,682	42,521	212,298
Cost of sales	(33,965)	(28,682)	(129,848)	(103,022)	(64,925)	(42,330)	(32,916)	(174,496)
Gross profit	11,854	7,084	35,367	16,466	16,744	12,352	9,605	37,802
Distribution costs	(2,899)	(2,448)	(10,680)	(8,373)	(5,253)	(3,170)	(2,465)	(13,529)
Administrative expenses	(4,433)	(2,440)	(10,658)	(7,060)	(4,878)	(4,915)	(3,822)	(13,821)
Other operating income	538	409	2,402	2,483	637	772	600	3,825
Operating result (EBIT)(4)	5,060	2,605	16,431	3,516	7,250	5,039	3,918	14,277
Financial income	542	220	1,782	409	717	849	660	2,169
Financial expense	(760)	(668)	(3,605)	(2,050)	(2,763)	(971)	(755)	(5,208)
Financial result, net	(218)	(448)	(1,823)	(1,641)	(2,046)	(122)	(95)	(3,039)
Profit/(loss) before income tax	4,842	2,157	14,608	1,875	5,204	4,917	3,823	11,238
Income tax (expense)/income	(1,304)	(24)	(2,083)	(1,083)	(1,201)	(1,263)	(982)	(2,206)
Profit/(loss) for the period	3,538	2,133	12,525	792	4,003	3,654	2,841	9,032
Profit/(loss) attributable to:								
Owners of the parent	3,602	2,368	12,648	829	4,003	3,718	2,891	9,310
Non-controlling interests	(64)	(235)	(123)	(37)	—	(64)	(50)	(278)

- (1) The selected pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008, the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011, and 2010 and the complete pro forma financial information of the Exceet Group included in the “Financial Statements” section of this proxy statement. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the actual financial situation of the Exceet Group or its actual results. This information does not purport to represent what the Exceet Group’s actual results would have been had the acquisition of Winter AG and Contec GmbH taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group.
- (2) The pro-forma financial information for the three months ended March 31, 2011 and for the year ended December 31, 2010 presented in euro was based upon a convenience translation of CHF values into euro values assuming an exchange rate of 0.7776 and 0.7244, respectively, per CHF, representing the average exchange rates for the respective periods.
- (3) The label “unaudited” is used in this table for the pro-forma financial information to indicate that such information was not taken from the audited consolidated financial statements of Exceet Group AG but has been audited instead in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in the auditor’s report of Pricewaterhouse Coopers included in the “Financial Statements” section of this proxy statement.
- (4) The Exceet Group refers to “EBIT” as its operating result (before interest and income taxes).

ECMS Segment: Income Statement Data(1)

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)				
	(unaudited)			(audited)	
External revenue	31,174	24,559	109,860	87,834	81,669
Inter-segment revenue	—	—	3	—	—
Total revenue	31,174	24,559	109,863	87,834	81,669
Operating result before depreciation and amortization (EBITDA)(2)	7,858	4,856	23,690	9,206	11,847
Depreciation and amortization	(1,485)	(1,408)	(5,890)	(5,863)	(4,584)
Operating result (EBIT)(3)	6,373	3,448	17,800	3,343	7,263

- (1) For a reconciliation of this segment income statement data to the consolidated income statement information of Exceet Group AG and as to inter-segment eliminations made as part of such reconciliation see *note 7* to the unaudited consolidated interim financial statements of Exceet Group AG as of and for the three months ended March 31, 2011 and to the audited consolidated financial statements of Exceet Group AG as of and for the financial years ended December 31, 2010, 2009 and 2008, which are included in the “*Financial Statements*” section of this proxy statement on pages F-24 and F-34, respectively.
- (2) The Exceet Group calculates “EBITDA” as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation. EBITDA, as defined by the Exceet Group, is not necessarily comparable to similarly-titled measures reported by other companies. EBITDA is not a recognized measure in accordance with IFRS and should not be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet cash requirements, and historical operating results cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results.
- (3) The Exceet Group calculates “EBIT” as its operating result (before interest and income taxes).

IDMS Segment: Income Statement Data(1)

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)				
	(unaudited)			(audited)	
External revenue	14,645	11,207	55,355	31,654	n/a
Inter-segment revenue	4	5	2	0	n/a
Total revenue	14,649	11,212	55,357	31,654	n/a
Operating result before depreciation and amortization (EBITDA)(2)	1,489	751	4,714	2,809	n/a
Depreciation and amortization	(654)	(561)	(2,117)	(1,121)	n/a
Operating result (EBIT)(3)	835	190	2,597	1,688	n/a

- (1) For a reconciliation of this segment income statement data to the consolidated income statement information of Exceet Group AG and as to inter-segment eliminations made as part of such reconciliation see *note 7* to the unaudited consolidated interim financial statements of Exceet Group AG as of and for the three months ended March 31, 2011 and to the audited consolidated financial statements of Exceet Group AG as of and for the financial years ended December 31, 2010, 2009 and 2008, which are included in the “*Financial Statements*” section of this proxy statement on pages F-23 and F-33, respectively.
- (2) The Exceet Group calculates “EBITDA” as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation. EBITDA, as defined by the Exceet Group, is not necessarily comparable to similarly-titled measures reported by other companies. EBITDA is not a recognized measure in accordance with IFRS and should not be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet cash requirements, and historical operating results cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results.
- (3) The Exceet Group calculates “EBIT” as its operating result (before interest and income taxes).

Consolidated Historical and Pro-Forma Combined Balance Sheet Data

	As of March 31	As of December 31			Pro-forma information as of March 31(1)	
	2011	2010	2009	2008	2011	
	(CHF)	(CHF)	(CHF)	(CHF)	(CHF)	(€)(2)
	(unaudited)	(in thousands) (audited)			(unaudited)(2)	
Assets						
Total non-current assets	85,245	85,337	86,607	59,645	99,350	76,470
Current assets						
Inventories	31,614	27,772	24,983	22,636	40,575	31,231
Trade receivables, net	23,278	20,353	17,122	7,555	25,973	19,991
Other current receivables	3,018	1,287	1,189	1,531	4,685	3,606
Income tax asset	448	341	230	31	448	345
Accrued income and prepaid expenses	1,114	671	601	1,221	1,318	1,014
Cash and cash equivalents	21,875	23,578	16,204	13,968	14,572	11,216
Total current assets	81,347	74,002	60,329	46,942	87,570	67,403
Total assets	166,592	159,339	146,936	106,587	186,921	143,873
Equity						
Share capital	22,287	22,287	22,287	22,287	22,287	17,154
Reserves	48,054	43,516	34,013	24,782	48,054	36,987
Equity attributable to owners of the parent	70,341	65,803	56,300	47,069	70,341	54,141
Non-controlling interests	3,842	3,990	4,031	0	3,842	2,957
Total equity	74,183	69,793	60,331	47,069	74,183	57,099
Liabilities						
Non-current liabilities						
Borrowings	21,530	23,391	44,852	26,674	27,406	21,094
Total non-current liabilities	35,855	37,785	56,832	38,469	46,111	35,492
Current liabilities						
Trade payables	12,217	11,385	9,063	4,860	15,221	11,716
Other liabilities	5,509	6,808	3,715	3,365	7,436	5,723
Accrued expenses and deferred income	10,236	7,482	5,455	3,358	10,485	8,070
Income tax liabilities	3,069	2,512	1,989	1,382	3,177	2,445
Borrowings	24,277	22,157	8,711	6,496	28,477	21,919
Provisions for other liabilities and charges	1,246	1,417	840	1,588	1,831	1,409
Total current liabilities	56,554	51,761	29,773	21,049	66,627	51,283
Total liabilities	92,409	89,546	86,605	59,518	112,738	86,774
Total equity and liabilities	166,592	159,339	146,936	106,587	186,921	143,873

- (1) The selected pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008, the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011 and 2010 and the complete pro forma financial information included in the "Financial Statements" section of this proxy statement. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the actual financial situation of the Exceet Group or its actual results. This information does not purport to represent what the Exceet Group's actual results would have been had the acquisition of Winter AG and Contec GmbH taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group.
- (2) The pro-forma financial information as of March 31, 2011 presented in euro was based upon a convenience translation of CHF values into euro values assuming an exchange rate of 0.7697 per CHF on March 31, 2011.

- (2) The label “unaudited” is used in this table for the pro-forma financial information to indicate that such information was not taken from the audited consolidated financial statements of Exceet Group AG but has been audited instead in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in the auditor’s report of Pricewaterhouse Coopers included in the “*Financial Statements*” section of this proxy statement.

Consolidated Statement of Cash Flow Data

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)				
	(unaudited)		(audited)		
Cash flows from operating activities	1,584	974	18,398	10,330	11,500
Cash flows from investing activities	(2,622)	(435)	(1,631)	235	(28,045)
Cash flows from financing activities	(1,031)	(4,086)	(7,751)	(8,189)	25,140
Net changes in cash and cash equivalents	(2,069)	(3,547)	9,016	2,376	8,595
Cash and cash equivalents at the beginning of the period	23,578	16,204	16,204	13,968	5,523
Cash and cash equivalents at the end of the period	21,875	12,420	23,578	16,204	13,968

Summary Consolidated and Segment Operating Data

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands, except percentages)				
	(unaudited)		(audited)		
EBITDA(1)					
ECMS Segment	7,858	4,856	23,690	9,206	11,847
IDMS Segment	1,489	751	4,714	2,809	n/a
<i>Corporate and other segment</i>	<i>(2,139)</i>	<i>(1,025)</i>	<i>(3,927)</i>	<i>(1,510)</i>	<i>(13)</i>
Consolidated	<u>7,208</u>	<u>4,582</u>	<u>24,477</u>	<u>10,505</u>	<u>11,834</u>
			(unaudited)		
EBITDA margin(2)					
ECMS Segment (in %)	25.2	19.8	21.6	10.5	14.5
IDMS Segment (in %)	10.2	6.7	8.5	8.9	n/a
Consolidated (in %)	15.7	12.8	14.8	8.8	14.5
Gross profit margin (in %)(3)	25.9	19.8	21.4	13.8	20.5
Cost of sales ratio (in %)(4)	74.1	80.2	78.6	86.2	79.5
Free cash flow conversion rate(5) (in %)	n/a	n/a	73	77	112
Return on capital employed (ROCE)(6) (in %)	n/a	n/a	17.2	n/a	n/a

- (1) The Exceet Group calculates “EBITDA” as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation. EBITDA, as defined by the Exceet Group, is not necessarily comparable to similarly-titled measures reported by other companies. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet its cash requirements, and its historical operating results cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results.
- (2) The Exceet Group calculates “EBITDA margin” as EBITDA divided by total revenue and it is expressed as a percentage.
- (3) The Exceet Group calculates “gross profit margin” as gross profit divided by total revenue.
- (4) The Exceet Group calculates “cost of sales ratio” as cost of sales divided by total revenue.
- (5) The Exceet Group calculates “free cash flow” (“FCF”) as operating cash flow (after changes in working capital) minus net capital expenditure (incl. finance leases) plus cash financial charges (as set forth in the cash flow statement) multiplied with (1 minus average local tax rate). The “FCF conversion rate” is defined as FCF before financial charges (net of taxes) divided by “EBITA” (defined as operating result before interest,

income taxes and amortization of purchase price allocation). The FCF conversion rates for the financial years ended December 31, 2010, 2009 and 2008 have been calculated and arrived at as follows and subject to the following:

	2010	2009	2008
	(unaudited)		
Free Cash Flow before financial charges (post tax) = (a) - (d) multiplied by [1 - (e)]	13.42	4.29	10.20
(a) FCF after financial charges = (b) + (c)	12,572	3,180	8,885
(b) Operating cash flow (after change in working capital) (in TCHF)	18,398	10,330	11,500
(c) Net capital expenditure (incl. finance leases) (in TCHF)*	(5,826)	(7,150)	(2,615)
of which gross capital expenditure tangible assets (in TCHF)	(6,597)	(6,912)	(1,899)
of which gross capital expenditure intangible assets (in TCHF)	(0,285)	(0,588)	(0,718)
of which disposal tangible assets (in TCHF)	1,056	0,350	0,002
(d) Cash financial charges (in TCHF)	(1,081)	(1,482)	(1,665)
(e) applicable average local tax rate (in %)	21.38	25.39	20.99
EBITA = (f) + (g) (in TCHF)	18,501	5,582	9,143
(f) EBIT (in TCHF)	16,431	3,516	7,250
(g) plus amortization of purchase price allocation** (in TCHF)	2,070	2,066	1,893

* Net capital expenditure (excluding financial leases), as reported in the cash flow statement of Exceet Group AG, for the financial years ended December 31, 2008, 2009 and 2010 was TCHF (2,222), TCHF (3,826) and TCHF (2,009), respectively.

** Purchase price allocations amortization consist of additions of amortization related to (i) customer base (TCHF 1,259 in 2010, TCHF 1,260 in 2009, and TCHF 1,166 in 2008), (ii) technology (TCHF 0,652 in 2010, TCHF 0,648 in 2009, and TCHF 0,602 in 2008), and (iii) brands (TCHF 0,159 in 2010, TCHF 0,158 in 2009, and TCHF 0,125 in 2008).

- (6) The Exceet Group defines ROCE as EBITA divided by capital employed (defined by the Exceet Group as non-current assets plus working capital requirements ("Capital Employed")). The ROCE for the financial year ended December 31, 2010 has been calculated as follows:

	2010
	(unaudited)
ROCE = (a) divided by (b) (in %)	17.2
Post tax ROCE* (in %)	13.5
(a) EBITA (in TCHF)	18,501
(b) Capital Employed (in TCHF) = (c) + (d)	107,574
(c) Non-current assets** (in TCHF)	85,337
(d) Working capital requirements (WCR)*** = (e) - (f) (in TCHF)	22,237
(e) Current assets**** (in TCHF)	50,424
(f) Current liabilities***** (in TCHF)	28,187
based on average local tax rate (in %)	21.38

* The Exceet Group defines post tax ROCE as EBITA times (1 minus average local tax rate) divided by Capital Employed.

** Defined as tangible assets plus intangible assets plus other non-current assets.

*** Defined as current assets minus current liabilities.

**** Defined as inventories plus trade receivables net plus other current receivables plus income tax receivables plus accrued income and prepaid expenses.

***** Defined as trade payables plus other current liabilities plus accrued expenses and deferred income plus income tax liabilities.

SELECTED HISTORICAL FINANCIAL INFORMATION OF THE HELIKOS GROUP

The Company is providing the following selected historical financial information of the Helikos Group to assist you in your analysis of the financial aspects of the Transaction.

The selected historical financial information of the Helikos Group as of December 31, 2010 and 2009 and for the financial year ended December 31, 2010 and for the period from October 9, 2009 (inception) through December 31, 2009 are derived from the Company's audited consolidated financial statements, which are incorporated by reference in this proxy statement. The selected historical financial information of the Company as of March 31, 2011 and for the three months ended March 31, 2011 and 2010, respectively, are derived from the Company's unaudited consolidated financial statements, which are incorporated by reference in this proxy statement. The results of operations for interim periods are not necessarily indicative of the results of operations which might be expected for the entire year.

The following information is only a summary and should be read in conjunction with the full financial statements and the notes thereto for the periods indicated and "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Helikos Group" contained elsewhere in this proxy statement.

Selected Consolidated Comprehensive Income Data (in € thousands, except per share data)	For the Three Months Ended March 31,		Year Ended December 31,	October 9, 2009 (Inception) to December 31, 2009
	2011 (unaudited)	2010	2010 (unaudited)	2009
Results from operating activities	€(199)	€ (998)	€(1,816)	€ (296)
Finance income(1)	435	84	7,959	—
Finance costs	—	—	(1)	—
Net finance income(1)	435	84	7,958	—
Income tax expense	—	—	(45)	—
Profit or Loss for the period	€(236)	€ (913)	€ 6,097	€ (296)
Earnings per share (Basic)	€0.01	€(0.05)	€ 0.25	€(0.03)
Earnings per share (Diluted)	€0.01	€(0.05)	€ 0.03	€(0.03)

(1) Finance income in 2010 includes €7.0 million in non-cash gains on the change in the fair value of the Public Warrants.

Selected Consolidated Balance Sheet Data (in € thousands)	At March 31,		At December 31,	
	2011 (unaudited)	2010 (unaudited)	2010	2009
Cash and cash equivalents in Escrow Account(1)	€202,250	€201,183	€201,993	€ —
Other cash and cash equivalents	2,871	4,522	3,076	136
Total cash and cash equivalents	205,121	205,706	205,059	136
Other financial assets	279	—	96	—
Prepayments and other assets	57	42	12	608
TOTAL ASSETS	€205,457	€205,748	€205,168	€ 744
Share capital	€ 400	€ 400	€ 400	€ 144
Share premium and other reserves	183,165	183,165	183,165	—
Retained earnings	6,037	(1,209)	5,801	(296)
Total Equity	189,602	182,356	189,366	(152)
Total Liabilities(2)	15,855	23,392	15,802	896
TOTAL EQUITY AND LIABILITIES	€205,457	€205,748	€205,168	€ 744

(1) Includes the initial amount of €201,125,000 deposited in the Escrow Account following the IPO, together with interest earned and realized and unrealized gains on cash equivalents. Interest earned and realized gains on cash equivalents may be distributed prior to the Business Combination for working capital allowances and payment of taxes.

(2) Includes financial liabilities relating to the Public Warrants of zero, €13.0 million, €20.0 million and €13.0 million at December 31, 2009 and 2010 and March 31, 2010 and 2011, respectively.

SELECTED UNAUDITED PRO FORMA FINANCIAL AND OPERATING DATA

The following selected unaudited pro forma financial data has been derived from, and should be read together with, the unaudited pro forma financial statements of the Company contained elsewhere in this proxy statement. The Company also includes below certain pro forma operating data based on, but not included in, the pro forma financial information. The pro forma financial information is provided to aid the Company's Shareholders and warrant holders in their analysis of the financial aspects of the Transaction. The unaudited pro forma financial information should be read in conjunction with the historical financial statements of the Company and the pro forma combined financial information of Exceet Group AG and the related notes thereto included elsewhere in this proxy statement. The unaudited pro forma financial information are provided for illustrative purposes only and do not purport to present what the actual results of operations or financial position would have been had the transactions actually occurred on the dates indicated, nor do they purport to represent results of operations for any future period or financial position for any future date.

On June 7, 2011, the Company and the Sellers entered into a Share Purchase Agreement relating to the proposed acquisition of Exceet Group AG. The unaudited pro forma financial information combines the historical consolidated financial statements of the Company and the unaudited pro forma combined financial information of Exceet Group AG, giving effect to the acquisition of Exceet Group AG as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statement and as if it had occurred on March 31, 2011 for the purpose of the pro forma combined balance sheet.

The unaudited pro forma financial information for the Company was prepared based on the requirements in Appendix I No. 20.2 in connection with Appendix II of the regulation (EC) No. 809/2004 of the European Commission under application of IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004). This pro forma financial information has been reviewed by Ernst & Young, Société Anonyme, in accordance with International Standard on Assurance Engagements 3000, as set forth in their report included herein.

The unaudited pro forma financial information includes estimates and assumptions to determine the purchase price consideration available at this time. These estimates and assumptions may differ from the estimates and actual figures in the final accounting for the Transaction as additional information becomes available, and such differences may be material. For calculation of the equity consideration a trading price of €10.06 for the Company's shares is assumed, which is the per Public Share value of the Escrow Account. €10.06 is the per share amount that redeeming shareholders will receive, which the Board believes is a fair estimate of the minimum share price at which the Transaction is likely to be approved.

The Transaction will be accounted for using the acquisition method as stated in IFRS 3 (rev. 2008) as if the acquisition of Exceet Group AG by the Company had been completed on January 1, 2010 for purposes of the pro forma combined income statements and as if the acquisition had been completed on March 31, 2011 for purposes of the pro forma combined balance sheet. The unaudited pro forma financial information includes estimates to adjust assets and liabilities of Exceet Group AG to their respective fair values based upon preliminary information available at this time. These estimates may differ from the estimates in the final accounting for the acquisition as additional information becomes available, and such differences may be material. The purchase price allocation is among other things subject to changes in the value of the purchase price consideration. The allocation of the purchase consideration for Exceet Group AG as reflected in the unaudited pro forma combined financial information has been derived from the Share Purchase Agreement on a provisional basis.

The unaudited pro forma financial information has been prepared using two different levels of approval of the transaction by the Company's Public Shareholders:

- *Assuming no exercise of redemption rights:* this presentation assumes that none of the Company's stockholders exercise their redemption rights; and

- | | Pro forma information | | | |
|---|--|--|--|--|
| | For the three months ended
March 31, 2011 | | For the financial year ended
December 31, 2010 | |
| | Assuming No
Exercise of
Redemption
Rights | Assuming
Maximum
Exercise of
Redemption
Rights | Assuming No
Exercise of
Redemption
Rights | Assuming
Maximum
Exercise of
Redemption
Rights |
| | €
(unaudited) | €
(unaudited) | €
(unaudited) | €
(unaudited) |
| Selected Pro Forma Income Statement Data | | | | |
| Revenues | 42,521 | 42,521 | 153,789 | 153,789 |
| Cost of sales | (32,916) | (32,916) | (135,629) | (135,629) |
| Gross profit | 9,605 | 9,605 | 18,160 | 18,160 |
| Other income | 600 | 600 | 2,771 | 2,771 |
| Distribution costs | (5,200) | (5,200) | (19,990) | (19,990) |
| Administrative expenses | (3,864) | (3,864) | (44,029) | (44,029) |
| Other expenses | (199) | (199) | (1,816) | (1,728) |
| Operating Result (EBIT) | 942 | 942 | (44,904) | (44,816) |
| Financial income | 880 | 765 | 9,098 | 8,861 |
| Financial expense | (693) | (729) | (8,548) | (8,679) |
| Financial result, net | 187 | 36 | 550 | 182 |
| Profit / (loss) before taxes | 1,129 | 978 | (44,354) | (44,634) |
| Income tax (expense) / income | (276) | (276) | 3,658 | 3,658 |
| Profit / (loss) for the period | 853 | 702 | (40,696) | (40,976) |
| Earnings per share (basic) | 0.03 | 0.03 | (1.61) | (2.04) |
| Earnings per share (diluted) | 0.02 | 0.02 | (0.98) | (1.13) |

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Pro forma operating figures⁽¹⁾

	Year ended December 31, 2010	
	Assuming No Exercise of Redemption Rights	Assuming Maximum Exercise of Redemption Rights
	(in thousands)	
	€	€
EBIT (unadjusted)	(44,904)	(44,816)
<i>Adjustments:</i>		
Increase of amortisation and depreciation due to effects of purchase price allocation on level Helikos SE	19,497	19,497
Increase of amortization and depreciation due to effects of purchase price allocation on level Exceet Group AG	263	263
Transaction cost related to acquisition of Exceet Group AG	9,027	9,027
Share based payment expense related to issuance due to issuing of Founding Shares under preferred conditions	24,907	24,907
SPAC—related general administration expenses	1,816	1,816
Reduced transaction cost (assuming max. exercise of redemption rights)	—	(88)
EBIT (adjusted)	<u>10,606</u>	<u>10,606</u>
EBIT (unadjusted)	(44,904)	(44,816)
<i>Adjustments:</i>		
Amortisation/ depreciation including PPA amortisation	25,528	25,528
Increase of amortisation and depreciation due to effects of purchase price allocation on level Helikos SE	19,497	19,497
Increase of amortisation and depreciation due to effects of purchase price allocation on level Exceet Group AG	263	263
Amortization/ Depreciation exceet (without PPA amortisation)	5,768	5,768
Transaction cost related to acquisition of Exceet Group AG	9,027	9,027
Share based payment expense related to issuance due to issuing of Founding Shares under preferred conditions	24,907	24,907
SPAC—related general administration expenses	1,816	1,816
Reduced transaction cost (assuming max. exercise of redemption rights)	—	(88)
EBITDA (adjusted)	<u>16,374</u>	<u>16,374</u>

⁽¹⁾ EBITDA is EBIT (earnings before interest and taxes) before depreciation/amortization of, and write-ups to, fixed assets. The Company discloses EBITDA, as it believes that it is a valuable measure for assessing the Group's total performance. EBITDA is not an indicator defined by IFRS. Adjusted EBIT is calculated by adding back to operating income (EBIT) as reported under IFRS: (i) charges related to the purchase price allocation; (ii) transaction costs related to the Transaction; (iii) share-based payment expenses relating to the Founding Shares; (iv) general administration costs of the Company prior to the Transaction; and (v) deducting amounts related to reductions in transaction costs resulting from redemptions of Public Shares in connection with the Transaction. Adjusted EBITDA is calculated by adding back to Adjusted EBIT the amount of depreciation and amortization charges recorded other than pursuant to the purchase price allocation. The Company presents Adjusted EBIT and Adjusted EBITDA because it believes these measures, when considered together with the figures reported under IFRS, can be helpful to investors in assessing the core operating performance of the business excluding the impact of these accounting charges. Adjusted EBIT and Adjusted EBITDA should be considered together with and are not substitutes for earnings as calculated under IFRS.

Pro forma earnings per share and adjusted earnings per share EPS Calculation:

	Year ended December 31, 2010	
	Assuming No Exercise of Redemption Rights	Assuming Maximum Exercise of Redemption Rights
Number of Public Shares outstanding upon consummation of the acquisition (in thousands of shares)	25,200	20,099
Pro forma income (in thousands of €)	(40,696)	(40,976)
Pro forma earnings per share (in thousands of €)		
basic	(1.61)	(2.04)
diluted	(0.98)	(1.13)
Pro forma adjusted income (in thousands of €)	7,212	6,940
Pro forma adjusted earnings per share (in €)(1)		
basic	0.29	0.35
diluted	0.17	0.19

- (1) Pro forma adjusted earnings per share is calculated by calculating the per share amount of pro forma adjusted income, which is calculated by eliminating from pro forma income the impact of acquisition related accounting charges. Pro forma adjusted income and earnings per share are not IFRS measures and may differ from similarly named measures calculated by other companies. These measures are not substitutes for and should be considered together with the comparable IFRS measures. The Company presents these measures because it believes they may be useful, when evaluating the Company's IFRS figures, as supplemental tools in assessing the performance of the business excluding the impact of such charges.

SUMMARY OF THE PROPOSED TRANSACTION

On June 7, 2011, the Company, Helikos AG, Ventizz, the other Sellers and Exceet Group AG entered into a Share Purchase Agreement pursuant to which, among other things, Helikos AG, a newly-formed, wholly-owned subsidiary of the Company, intends to acquire all issued and outstanding shares in Exceet Group AG.

The consideration consists of €110.5 million in cash, approximately 3.1 million new Public Shares of the Company and 9 million shares of a newly-authorized class of shares of the Company called the Earnout Shares. The Earnout Shares will be convertible into Public Shares in three equal tranches based on Daily VWAP (defined elsewhere in this proxy statement) conversion thresholds of €12, €13 and €15 per Public Share, respectively.

In connection with the Share Purchase Agreement, the Founders have agreed (i) to an amendment of the terms of the outstanding Founding Warrants to provide for their redemption upon consummation of the Transaction and to use the redemption proceeds therefrom to subscribe for 1 million newly issued Class B4 Founding Shares that will convert into Public Shares based on a Daily VWAP conversion threshold of €12 per Public Share, and (ii) to an amendment of the terms of the Company's Class B2 and Class B3 Founding Shares to increase the Daily VWAP thresholds at which such Founding Shares convert into Public Shares from €11 to €14 per Public Share and from €12 to €16 per Public Share, respectively.

Pursuant to the Share Purchase Agreement, the Company will also make a capital contribution to Exceet Group AG in an amount of €15 million to €59.9 million determined as set forth in the Share Purchase Agreement, and has agreed to repay up to €11.1 million of certain outstanding indebtedness of the Exceet Group owned to certain of the sellers. In the Share Purchase Agreement, the Company has also agreed to seek the approval of the holders of the Public Warrants to an amendment on the terms described herein.

Reasons for the Approval of the Transaction

The Board of Directors considered a wide variety of factors in connection with its evaluation of the Transaction. See “*The Company's Board of Directors Reasons for the Approval of the Transaction.*” Some of these factors included the following:

Business factors

High barriers to entry. The Board of Directors believes that the Exceet Group benefits from high barriers to entry that derive from its focus on mission critical components and systems that are generally integrated in high-value devices and the ‘build and trust’ relationship the Exceet Group has developed with the majority of its customers.

Strong market position. The Exceet Group focuses on niche ‘specialty’ markets, as its products are generally integrated into costly devices that are produced in small & mid-sized quantities. The Board of Directors believes this represents a “sweet spot” within the electronic component market, because:

- The Exceet Group's focus on products that are produced in small series means the quantities produced are not high enough to attract mass producers; and
- Development and certification requirements are high enough to reduce competition from smaller independent suppliers.

Significant customer stickiness. The Exceet Group has established a long-standing relationship with most of its customers. The ten largest customers of the Exceet Group, which represented 51.6% of its revenues in the year 2010, have been with the Exceet Group for more than ten years on average (with the longest at 17 years).

Business attractiveness is reflected in the group's financial performance. The Board of Directors believes the Exceet Group's market position and barriers to entry are reflected in the group's EBITDA margin of 14.8% in 2010, which compares favorably to the average EBITDA margins reported for public companies in the same period by mass component producers, specialty products mid-size series manufacturers, and specialty products small series manufacturers. The Board of Directors believes this provides evidence that customers are willing to pay a premium for the Exceet Group's value added products.

Experienced management team. The Exceet Group's management has established a proven track record of driving revenue growth, expanding profitability and generating cash flow. The Exceet Group's management team also has a history of acquiring companies and unlocking value during the integration process. Given the relatively strong fragmentation of the markets in which the Exceet Group operates, the Board of Directors believes this is a key management strength.

Financial factors

Organic revenue growth prospects. The Board of Directors believes the Exceet Group's organic revenue growth should be driven by underlying growth trends in the group's main end markets. The Exceet Group's management has set a strategic objective of organic revenue growth in the range of 10% to 15% from 2010 to 2015, of which 2/3 should be driven by organic growth of current applications with customers, and 1/3 should come from new applications with existing and/or new customers. Market research prepared for the Company suggests the market segments the Exceet Group targets within the medical technology sector, the Exceet Group's main vertical (accounting for approximately 50% of 2010 revenues), benefit from opportunities for secular growth driven by global trends such as aging population, rising patient awareness, technological advancement in medical imaging and increasing obesity rates. Other Exceet Group end markets (industrial automation, financial services & security) should also benefit from growth driven by such trends as replacement of traditional ID cards by digital ID, increasing electronic content within industrial and traction products as well as a general trend towards green energy solutions.

Significant M&A potential. The Exceet Group's markets show a relatively high fragmentation, as the market is mainly made of relatively small independent players. The Board of Directors believes that customer demands for product lifecycle management by their suppliers will require suppliers to achieve scale, which should support the increasing consolidation trend. Given the M&A track record of the Exceet Group's management, as well as the Combined Group's expected strong balance sheet post transaction (based on a capital increase at the Exceet Group AG level of between €15 million and €59.9 million and repayment of up to €11.1 million in outstanding Exceet Group loans in connection with the Transaction), the Board of Directors believes the Exceet Group is well positioned to benefit from this M&A trend. The Board of Directors believes this lends credibility to the target of 10-20% revenue growth p.a. the Exceet Group's management has stated it aims to achieve over the 2010 to 2015 period.

Room for margin expansion. The Exceet Group generated an EBITDA margin of 14.8% in 2010. In the first quarter of 2011, the EBITDA margin reached 15.7% (18% excluding one-off IPO costs), driven by robust trading and an improving product mix. Despite recent margin improvement, the Exceet Group's management indicated during due diligence that it believes there is further room for margin expansion in 2011 onwards. Such expansion should be driven by cost-cutting, cost synergies, and margin improvement of recently acquired companies. Exceet's management has set an internal target of achieving an 18% EBITDA margin in the medium term.

High Free Cash Flow conversion. The Exceet Group's free cash flow conversion reached respectively 112%, 77% and 73% in 2008, 2009 and 2010. This strong performance was achieved through efficient management of working capital requirements, control on capital expenditure spending and a relatively low tax rate. Going forward, the Exceet Group's management believes it is well positioned to continue to generate strong Free Cash Flow conversion, because control over capital expenditures and the Exceet Group's relatively low tax rate should be recurring in nature, whereas working capital requirements still offer room for further contraction.

High ROCE. Based on the Exceet Group's historical accounts for 2010, the Company calculates that the Exceet Group generated a pre tax Return On Capital Employed (ROCE) of 17.2% (or 13.5% post tax).

Attractive purchase price. The Board of Directors believes the estimated enterprise value arising from the Transaction, based on the Exceet Group's management's objectives for the current financial year, compares favorably to the average multiples at May 30, 2011 for mass component manufacturers (SMT, TTM Tech, Benchmark, CTS, Fabrinet, Flextronics, Jabil), which were trading at 6.9x, specialty products mid-size series manufacturers (Advantech, Data Respons, Kontron, Gemalto, Smartrac, Zebra), which were trading at 8.8x, and specialty products small series makers (Mercury, Nedap), which were trading at 9.5x. The Board of Directors believes the purchase price does not fully reflect the Exceet Group's fast growth profile; added value paid for by customers, as evidenced by the group's strong margins; or its M&A potential.

Attractive Transaction Structure. The Board of Directors believes the structure of the Transaction attractively aligns the interests of the Company's Shareholders, the Founders and the Sellers. In particular:

- A significant portion of the consideration paid to the Sellers is in the form of Earnout Shares, whose full value can be realized only if there is significant appreciation in the Company's Public Share price. The Board of Directors believes this structure helps align the interests of the Sellers with those of the Company's Public Shareholders in the future share price performance of the Public Shares. At the same time, this structure results in a more favorable effective purchase price if the Public Share price thresholds are not met.
- The restructuring of the Founding Shares to increase the thresholds at which they convert into Public Shares further aligns the interests of the Founders in the future share price performance of the Public Shares; and
- The exchange of the Founding Warrants for Founding Shares and the amendments to the terms of the Public Warrants reduce the potential dilution resulting from these securities.

Other Factors

The Company's Board of Directors believes the above factors strongly support its determination and recommendation to approve the Transaction. The Company's Board of Directors did, however, consider a number of potentially negative factors, including those listed under "*The Company's Board of Directors Reasons for the Approval of the Transaction—Other Factors*" and "*Risk Factors*" among others, in its deliberations concerning the Transaction. These included:

- Acquisitions may dilute EBITDA margins and expose the Exceet Group to other risks.
- High customer concentration.
- Limited number of suppliers.
- The Exceet Group's business model may have limitations.
- Price pressure may increase in certain product segments if competitors overcome the barriers to entry noted above.
- The target markets served by the Exceet Group may grow more slowly than expected.
- Amounts paid by the Company to redeem Public Shares will reduce the funds available to the Combined Group's that can be used to execute its M&A strategy.

The Board of Directors concluded that the positive factors noted above significantly outweighed these potential negative factors. Based on its consideration of the above factors, the Board of Directors concluded that the Transaction is fair to, and in the best interests of, the Company.

Certain Interests of the Company's Directors and Others in the Transaction

When you consider the recommendation of the Company's Board of Directors in favor of approval of the Transaction and the Shareholder Proposals and the Warrant Amendment Proposal, you should keep in mind that the Company's Directors and Founders have interests in the Transaction that are different from, or in addition to, your interests as a Shareholder or warrantholder, as the case may be. These interests include, among other things:

- If the Company is unable to complete the Transaction or fails to complete an initial Business Combination by August 4, 2012, the Company's Articles require the Board of Directors to submit a proposal to an Extraordinary Meeting of Shareholders to liquidate the Company. In such event:
 - the 6,315,790 Founding Shares that were acquired before the IPO for an aggregate purchase price of €96,000 would be worthless because the Founders are not entitled to receive any of the proceeds of the Escrow Account with respect to such Founding Shares; and
 - the 10,000,000 Founding Warrants acquired by the Founders for an aggregate purchase price of €10 million would expire worthless.
- The Founders, including the Company's Directors Roland Lienau and Prof. Hermann Simon, hold in the aggregate 6,315,790 Founding Shares, 2,105,264 of which will convert into Public Shares upon the consummation of the Transaction.

- The Company has agreed to redeem the Founding Warrants upon consummation of the Transaction and to issue 1 million new Founding Shares to the Founders, subject to Shareholder approval, that will convert into 1 million Public Shares based on a Daily VWAP threshold of €12 per Public Share.
- The Wendel Shareholder holds 1,350,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant it holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.
- It is anticipated that Dirk-Jan van Ommeren and Roland Lienau will continue to serve as Directors of the Company, and Prof. Hermann Simon will be appointed as a member of the proposed advisory board (the “Advisory Board”) of the Company.
- Dr. Jürgen Heraeus, a Director of the Company, owns 15,000 Public Shares and 15,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant he holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.

In addition to the interests of the Company’s Directors in the Transaction, certain persons promoting the Transaction and/or soliciting proxies on behalf of the Company have interests in the Transaction that are different from, or in addition to, the interests of the Company.

Deutsche Bank and the other managers of the Company’s IPO (the “Managers”) may provide assistance to the Company and its Directors and may be deemed to be participants in the solicitation of proxies. The Managers agreed to defer 1.25% of the adjusted gross proceeds of the IPO until consummation of the Company’s initial Business Combination (a maximum of €2.5 million, if no redemptions are requested by Public Shareholders). In addition, up to an additional 1.00% of the adjusted gross proceeds of the IPO may be paid at the discretion of the Company to the Managers based on the Company’s assessment of the quality of the services rendered by the Managers in connection with the IPO and the Business Combination (a maximum of €2.0 million, if no redemptions are requested by Public Shareholders). If the Company does not consummate a Business Combination and the balance of the Escrow Account is distributed, the Managers have agreed to forfeit any rights or claims to their deferred underwriting commissions and such commissions will be distributed on a pro rata basis to the Public Shareholders. Warrantholders and Shareholders are advised that the Managers and the Company’s other advisors may have a financial interest in the successful outcome of the Business Combination.

Actions That May Be Taken to Secure Approval of the Company’s Shareholders and Warrantholders

Even if the Shareholder Proposals and Warrant Amendment Proposal are approved, if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares, then the Company will not be permitted under its Articles to proceed with the Transaction. In addition, if more than 25.5% of the outstanding Public Shares are validly submitted for redemption, the closing condition that there be a capital contribution to Exceet Group AG in a minimum amount of €15 million will not be satisfied unless the Wendel Shareholder exercises its Founders’ Purchase Option in a sufficient amount. To preclude these possibilities:

- Although the Wendel Shareholder is not obligated to do so, the Wendel Shareholder may, in its sole discretion, elect to exercise the Founders’ Purchase Option with respect to a sufficient number of Public Shares to prevent the 35% threshold from being reached and to ensure the minimum capital contribution condition is satisfied.
- The Founders, the Sellers or their respective affiliates may negotiate agreements to provide for the purchase of Public Shares and/or Public Warrants from certain holders who indicate their intention to vote against the Transaction and seek redemption or otherwise wish to sell their Public Shares or Public Warrants. Such purchases may take place at negotiated prices and some Public Shareholders or warrantholders may receive a lower price than others (some Public Shareholders or warrantholders may not receive any purchase offer). The Founders, the Sellers or their respective affiliates may also pursue agreements to provide holders of Public Shares or Public Warrants with other incentives to vote in favor of the Transaction. The purpose of such agreements would be to increase the likelihood of obtaining approval of the Shareholder Proposals and the Warrant Amendment Proposal and to reduce the likelihood that the 35% redemption threshold would be met. Any Public Shares or Public Warrants purchased by the Founders, the Sellers or their affiliates would be voted in favor of the Shareholder Proposals and Warrant Amendment Proposals.

- It is also possible that the Extraordinary General Meeting of Shareholders or Special Meeting of Warrantholders could be postponed to provide time to seek out and negotiate such transactions if, at the time of the meeting, it appears that the requisite vote will not be obtained or that the limitations on redemptions will be exceeded.

As of the date of this proxy statement, the Founders and the Sellers have not entered into any agreements to purchase outstanding Public Shares from any party other than pursuant to the Founders' Purchase Option. Although the Company's management has spoken with several of the Company's Shareholders to assess their likely reaction to the proposed Transaction, the Founders, Sellers and their affiliates have not entered into any voting agreements with third parties.

Any purchases made under the Founders' Purchase Option or other agreements could reduce the number of Public Shares of the Company in its public float, which could adversely affect the liquidity of the Public Shares.

Regulatory Matters

German merger control. The proposed acquisition of Exceet Group AG by Helikos AG and the proposed acquisition of shares in the Company by Ventizz are potentially subject to a merger control filing and clearance requirement in Germany. The statutory review period for a Phase I merger investigation in Germany is one calendar month from filing (the German Federal Cartel Office ("FCO") also may grant clearance earlier). At the end of this period, the FCO can only clear the Transaction unconditionally or initiate a Phase II investigation ("*Hauptprüfverfahren*"). If the FCO has not taken either of these decisions at the end of the Phase I period, the Transaction will be deemed to be cleared. The statutory deadline for the conclusion of a Phase II investigation (which can end with unconditional clearance, clearance subject to conditions and/or obligations, or a prohibition of the transaction) is four calendar months from submitting the notification, unless the notifying parties and the FCO agree on an extension of the review period. In the parties' view, the Transaction does not raise any competitive concerns and they therefore expect Phase I clearance.

CSSF exemption re: mandatory takeover bid: The Sellers and/or the Founders alone or acting in concert will acquire control of the Company within the meaning of Article 5(1) of the Takeover Law upon consummation of the Transaction. The Sellers and/or the Founders are expecting to be granted an exemption from the obligation to launch a mandatory takeover bid pursuant to Article 4(5) of the Takeover Law.

Redemption Rights

Each Public Shareholder that informs the Company that it intends to vote its Public Shares against the Transaction may request redemption of its Public Shares for a redemption price, in cash, equal to a pro rata portion of the Escrow Account (after reserves for taxes) as described in more detail herein under "*Extraordinary General Meeting of Shareholders and Special Meeting of Warrantholders—Redemption Rights*". The redemption price for the Public Shares will be €10.05625 per Public Share.

The redemption request will not be granted if the Transaction is not approved and consummated or if the specific procedures set forth below are not followed.

If you are a holder of Public Shares and wish to exercise your redemption rights, you must do **all of the following on or prior to 6:00 p.m. CEST on June 17, 2011:**

- (i) notify the Company of your intention to vote all or part of your Public Shares against the Business Combination Proposal and request redemption of such Public Shares in writing by completing a redemption notice in the form attached to this proxy statement as Annex VI and returning it to the Company's Centralizing Agent;
- (ii) cause the Public Shares you wish to redeem to be transferred to the blocked account specified by the Centralizing Agent for this purpose in the Convening Notice;
- (iii) grant a proxy to any of the Class C Directors of the Company, instructing that such Public Shares shall be voted against the Shareholder Proposals, unless and to the extent the Founders deliver a notice exercising their rights under the Founders' Purchase Option in respect of such Public Shares to the Company on or prior to the Business Day immediately prior to the record date for the EGM, in which case the Public Shares shall be voted in favor of the Shareholder Proposals; and

- (iv) grant the Wendel Shareholder, the entity through which Wendel holds its Shares in the Company, an option in the form set forth in Annex VI to this proxy statement, which is referred to as the Founders' Purchase Option, to purchase all or a portion of the Public Shares you intend to vote against the Shareholder Proposals exercisable at any time on or prior to the Business Day immediately preceding the record date for the EGM at a purchase price per Public Share of €10.05625.

As the Sellers and/or Founders do not intend to launch a mandatory takeover bid for the Public Shares, the redemption rights set out in this section will constitute the only occasion for dissenting Shareholders to benefit from a right to have their Public Shares repurchased. If they do not make use of this right, the only way to sell the Public Shares will be to offer the Public Shares for sale on the market.

Directors and Management of the Company following the Transaction

Pursuant to the Share Purchase Agreement and the Directors Proposal, each of the current Directors of the Company will resign from the Board of Directors effective upon the consummation of the Transaction, and the newly appointed Board of Directors will thereafter initially consist of two members nominated for appointment by Ventizz, two members nominated for appointment by the Wendel Shareholder, one member of the management of the Exceet Group and one independent Director. Pursuant to the Earnout Shares Proposal, for so long as there are Earnout Shares outstanding, the holders of the Earnout Shares will be entitled to propose one member for the Board of Directors. Pursuant to the Founding Shares Proposal, for so long as there are Founding Shares outstanding, the holders of the Founding Shares will be entitled to propose one member for the Board of Directors. Pursuant to the Articles Proposal, the chairman of the Board of Directors shall have a casting vote in the event of a tie vote at a meeting of the Board of Directors.

The Founders, Ventizz, and Ulrich Reutner, Robert Wolny and Jan Trommershausen ("Management", and together with the Founders and Ventizz the "Shareholder Parties") have entered into a shareholders agreement (the "Shareholders Agreement"), in order to allow the Shareholder Parties (i) to organize their respective voting rights as Shareholders of the Company, (ii) to organize their respective representation with respect to the governance of the Company, and (iii) to organize the possible transfer of all or part of their respective shareholdings with a view not to negatively impact the market conditions of the Public Shares. The Shareholders Agreement will become effective upon the closing of the Transaction and receipt of an exemption by the CSSF from the obligation to launch a mandatory takeover bid. See "*Beneficial Ownership of the Company's Securities—Shareholders Agreement*" for more information. Pursuant to the Shareholders Agreement, subject to certain continued ownership thresholds, the Shareholder Parties have agreed that they will collectively ensure that each of the Wendel Shareholder and Ventizz will have the right to designate as nominees two members of the Board of Directors of the Company, and the remaining positions on the initial Board will be filled by a member of the management board of Exceet Group AG and by an independent member. The Shareholder Parties have further agreed to a rotation mechanism to nominate their representatives to the position of the Chairman of the Board, who shall have a casting vote in the case of a tie. Each of the Wendel Shareholder and Ventizz will have certain rights (subject to applicable law) to designate observers at meetings of the Board of Directors, to nominate members for committees of the Board of Directors, and to nominate members to a newly-created Advisory Board to advise on future acquisitions and integration of target companies.

See "*Beneficial Ownership of the Company's Securities—Shareholders Agreement*" and "*Management of the Company Before and After the Transaction*" in this proxy statement for more information.

Following the Business Combination, the Company's current management will resign and the Board of Directors will delegate the daily management of the Company to the current members of the Management Board of Exceet Group AG, who will act as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Integration Officer of the new Combined Group. See "*Management of the Company Before and After the Transaction*" in this proxy statement for more information.

Tax Considerations

Please refer to section "*Proposals to Be Considered by Shareholders—The Business Combination Proposal—Certain Material Tax Consequences of the Transaction to the Company's Securityholders*" below.

Anticipated Accounting Treatment

The Transaction will be accounted for by the Company using the acquisition method pursuant to IFRS 3, Business Combinations, with the Company as the acquiror. Under the acquisition method, assets and liabilities are recorded at their fair value on the date of purchase and the total purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed, with the excess allocated to goodwill. The actual fair value of the total purchase consideration will vary with fluctuations in the price of the Company's Public Shares. In addition, as of the date of this document, the valuation studies necessary to finalize the fair values of the assets acquired and liabilities assumed and the related allocation of the purchase price have not been completed. Adjustments made in connection with the final valuation may affect the fair value assigned to the relevant assets and liabilities and could result in changes to the unaudited pro forma condensed combined financial information of the Company.

In connection with the Transaction, the Combined Group will incur a number of significant (primarily non-cash) charges, some of which are one time charges related to the Transaction, and others which will have ongoing impacts on the Combined Group's results in future periods. Some of these charges will be of significant size relative to the historical net profit of the Exceet Group. These charges will have a significant impact on the IFRS net profit or loss recorded by the Combined Group in 2011 and could also have an impact in future periods. See "*Anticipated Accounting Treatment of the Transaction*" elsewhere in this proxy statement.

THE SHAREHOLDER PROPOSALS

In order to complete the Transaction on the terms set forth in the Share Purchase Agreement, the Company's Shareholders must approve each of the proposals presented to the Extraordinary Meeting of Shareholders and the holders of the Company's Public Warrants must approve the proposal submitted to the Special Meeting of Warrantholders. Each proposal, if approved, will come into effect as of the consummation of the Transaction.

The following is a summary of the proposals to be presented to the Extraordinary General Meeting of Shareholders for approval, and is qualified in its entirety by the text of the proposed resolutions. The text of the proposed resolutions is attached as Annex II to this proxy statement. You are encouraged to read the proposed resolutions in their entirety.

The Business Combination Proposal

Pursuant to the Business Combination Proposal, the Company's Shareholders are being asked to approve the Transaction as the Company's initial Business Combination on the terms set forth in the Share Purchase Agreement. For a description of the principal terms of the Share Purchase Agreement, see "*Proposals to be Considered by Shareholders—The Business Combination Proposal—The Share Purchase Agreement*" elsewhere in this proxy statement.

The Name Change Proposal

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing to change its name from "Helikos SE" to "exceet Group SE". If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Name Change Proposal will not be implemented.

The Earnout Shares Proposal

The Earnout Shares Proposal would approve the creation and determination of the terms of the three classes of Earnout Shares that will be issued to the Sellers, including the terms on which they will convert into Public Shares, and grant the Board of Directors power to give effect to such conversions. The Earnout Shares proposal would also provide that for so long as the Earnout Shares are outstanding, the holders of the Earnout Shares will be able to propose one Director for election. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Earnout Shares Proposal will not be implemented.

The Founding Shares Proposal

The Founding Shares Proposal would amend the terms of the Founding Shares to increase the Daily VWAP thresholds at which the existing Class B2 and B3 Founding Shares convert into Public Shares and to approve the creation of the new Class B4 Founding Shares that will be issued to the Founders in exchange for the proceeds of the redemption of the Founding Warrants, including the terms on which such Founding Shares will convert into Public Shares, and to grant powers to the Board of Directors to give effect to such conversions. The Founding Shares Proposal would also provide that for so long as the Founding Shares are outstanding, the holders of the Founding Shares will be able to propose one Director for election. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Founding Shares Proposal will not be implemented.

The Authorized Capital Proposal

The Authorized Capital Proposal would reduce the authorized capital of the Company to approximately 50.3 million Shares from 500 million Shares and extend the Board of Directors authorization to issue securities within the limits of such authorized capital without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Authorized Capital Proposal will not be implemented.

The Articles Proposal

The Articles Proposal would approve the amendment and restatement of the Company's Articles in full for the following primary purposes:

- To reflect the Name Change Proposal, the Earnout Shares Proposal, the Founding Shares Proposal, and the Authorized Capital Proposal;
- To specify that the chairman of the Board shall cast the deciding vote in case of a tie vote at a meeting of the Board of Directors and to implement certain other corporate governance changes;
- To remove provisions from the Articles that are no longer applicable after giving effect to the consummation of the Transaction;
- To reflect certain changes to the procedures for calling and conducting shareholders' meetings in line with the Luxembourg law of May 25, 2011 implementing the European Shareholders' Rights Directive; and
- To require the Company to obtain the approval of a majority of the holders of the Founding Shares and a majority of the holders of the Earnout Shares before paying any extraordinary dividend.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Articles Proposal will not be implemented.

The Directors Proposal

The Directors Proposal would (i) accept the resignations and discharge from liabilities of the Company's existing Directors, and (ii) elect new Directors to take office upon consummation of the Transaction. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Directors Proposal will not be implemented.

The Formalities Proposal

The Formalities Proposal would grant an irrevocable power of attorney to the Board of Directors to act on behalf of Shareholders to comply with certain formalities under the Articles and Luxembourg law to implement the Shareholder Proposals and the Warrant Amendment Proposal. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Formalities Proposal will not be implemented.

THE WARRANT AMENDMENT PROPOSAL

The Company proposes to amend the terms and conditions of the Public Warrants (i) to provide for the payment in cash of €0.625 per Public Warrant upon consummation of the Transaction; (ii) to amend the exercise formula for the Public Warrants to provide that the number of Public Shares received upon exercise of each Public Warrant is reduced by 50%; (iii) to increase the Public Warrant exercise price per Public Share from €9 per Public Share to €12 per Public Share; (iv) to increase the redemption trigger from €14 to €17; and (v) to extend the term of the Public Warrants from five years from the date of the IPO to five years from the consummation of the Transaction. If the Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Warrant Amendment Proposal will not be implemented.

Factors considered in proposing the Warrant Amendment Proposal include:

- The Company believes the proposed cash payment of €0.625 per Public Warrant, taken together with the potential appreciation in the value of the Public Warrants if the Public Share price increases, should represent an attractive package for Warrantholders.
- The amendment provides Warrantholders with a cash payment of €0.625 per Public Warrant in exchange for, inter alia, reducing the Public Shares deliverable upon exercise by 50%. This achieves the same economic effect as redeeming half of the outstanding Public Warrants at a cash payment of €1.25 per Public Warrant, which represents a premium over the last reported trading price of the Public Warrants on June 6, 2011, which was €0.85 per Public Warrant.

- Based on its negotiations with the Sellers and the advice of its financial advisors, the Company's management believes that the terms and conditions of the Public Warrants must be restructured to reduce the related dilution in order to achieve a transaction structure that is acceptable to the Sellers, attractive to the Company's Shareholders and in the best interests of the Company. In particular, reducing the potential dilution represented by the Public Warrants, together with the exchange of the Founding Warrants for new Founding Shares and the restructuring of the existing Founding Shares, made it possible to increase the per Public Share value of the Transaction, while structuring a significant portion of the purchase consideration in the form of Earnout Shares. The Company believes this allowed management to negotiate a more attractive purchase price that aligns the interests of the Sellers with those of the Company's Shareholders and Warrantholders in achieving growth in the Public Share price.

The form of the Amended and Restated Terms and Conditions of the Public Warrants is attached as Annex III to this proxy statement. You are encouraged to read the Amended and Restated Terms and Conditions in their entirety. See the section entitled "*The Warrant Amendment Proposal*" for further information.

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS AND THE SPECIAL MEETING OF WARRANTHOLDERS

Date, Time and Place of the Extraordinary General Meeting of Shareholders and the Special Meeting of Warrantholders

The Extraordinary General Meeting of Shareholders will be held at 12:00 p.m. (noon) CEST, on July 1, 2011, and the Special Meeting of Warrantholders will be held at 11:00 a.m. CEST, on July 1, 2011, in each case at Hotel Le Royal, 12 boulevard Royal, L-2449 Luxembourg, or at such other date, time and place to which such meeting may be adjourned or postponed, to consider and vote upon the Shareholder Proposals and the Warrant Amendment Proposal respectively.

Record Date; Who is Entitled to Vote

You will be entitled to vote or direct votes to be cast at the Special Meeting of Warrantholders and the Extraordinary General Meeting if you owned Public Warrants on the day of the Special Meeting of Warrantholders or Shares at 6:00 p.m. CEST on June 22, 2011, which is the record date for the Extraordinary General Meeting. You are entitled to cast one vote at the Special Meeting of Warrantholders for each Public Warrant you own at the day of the Special Meeting of Warrantholders and to cast one vote at the Extraordinary General Meeting for each Share you owned at 6:00 p.m. CEST on the record date. Shareholders who do not own warrants may not attend the Special Meeting of Warrantholders, and warrantholders who do not own Shares may not attend the Extraordinary General Meeting of Shareholders.

The Company's issued share capital consists of 20,000,000 Public Shares and 6,315,790 Founding Shares. There are 20,000,000 Public Warrants outstanding.

Quorum and Vote for Shareholder Proposals

The following table summarizes the quorum requirements and votes required to approve each of the Shareholder Proposals being presented at the Extraordinary General Meeting of Shareholders, and at a second EGM called if the quorum requirements are not met in the first convened EGM. Given that the approval of each Shareholder Proposal is conditioned upon the approval of the other Shareholder Proposals, each of the quorum requirements listed below must be satisfied to permit deliberation on the Transaction as a whole, and each Shareholder Proposal must receive the requisite approval for any of the other Shareholder Proposals to have effect.

Proposal	Required Quorum at First EGM	Required Quorum at Second EGM (called in case of lack of quorum to consider any proposal at the first EGM)	Majority Required to Approve
Business Combination Proposal	25% of the outstanding Public Shares	None	Majority of validly cast votes of the Public Shares; and Less than 35% Public Shares validly request redemption (excluding Public Shares in respect of which the Founders have exercised the Founders' Purchase Option)
Name Change Proposal, Earnout Shares Proposal, Founding Shares Proposal, Authorized Capital Proposal	Majority of the outstanding Public Shares & Majority of the outstanding Founding Shares	None	Two-thirds of the validly cast votes of Public Shares; and Two-thirds of the validly cast votes of Founding Shares
Directors proposal and Formalities Proposal	None	None	Simple majority (more than 50%) of the validly cast votes of Shares

Abstentions will be counted as "present" at the EGM for the purposes of determining whether quorum requirements have been satisfied, but will not be counted in either the numerator or the denominator for the purposes of determining whether the relevant required approval threshold has been reached.

Required Quorum and Vote for Warrant Amendment Proposal

The approval of the Warrant Amendment Proposal will require the affirmative vote of the holders of a majority of the Public Warrants outstanding as of the record date. Abstentions will each have the same effect as a vote “AGAINST” the Warrant Amendment Proposal.

Vote of the Founders and Management

At the date of this proxy statement, the Company’s Founders and management beneficially owned and were entitled to vote an aggregate of 6,315,790 Founding Shares and 1,350,000 Public Shares. Those shares represent an aggregate of approximately 6.75% of the total votes represented by the Public Shares and 29.1% of the total votes represented by the Company’s outstanding Shares. While the votes of holders of Founding Shares will not be counted for the purpose of determining whether the Business Combination Proposal is adopted, the Founders have agreed to vote the Public Shares they own and any Public Shares that they may acquire in the secondary market or otherwise in favor of the Business Combination Proposal. The Founders of the Company have agreed to vote in favor of all other proposals presented at the Extraordinary General Meeting.

At the date of this proxy statement, the Company’s Founders and management own 1,350,000 Public Warrants, representing approximately 6.75% of the outstanding Public Warrants. The Company’s Founders and management intend to vote all Public Warrants they own or may hereafter acquire in favor of the Warrant Amendment Proposal.

Recommendation of the Board of Directors

The Company’s Board of Directors unanimously recommends that the Shareholders vote or instruct their vote to be cast “FOR” each of the Shareholder Proposals and that the warrantholders vote or instruct their vote to be cast “FOR” the Warrant Amendment Proposal.

Risk Factors

In evaluating the Shareholder Proposals and the Warrant Amendment Proposal described herein, you should carefully read this proxy statement and especially consider the factors discussed in the section entitled “*Risk Factors*”.

Procedures for Voting Your Warrants or Shares

If you are a holder of record of Public Warrants on the day of the Special Meeting of Warrantholders or Shares on the record date of June 22, 2011, you may vote with respect to the applicable proposals in several ways:

Voting in Person

Any Shareholder who holds one or more Shares of the Company on the record date shall be admitted to the Extraordinary General Meeting, subject to timely delivery of the certificate described below. Any warrantholder who holds one or more Public Warrants on the day of the Special Meeting of Warrantholders shall be admitted to the Special Meeting of Warrantholders, subject to timely delivery of the certificate described below.

Public Shareholders (whose shares are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the number of Public Shares recorded in their account on the Record Date. To participate and vote in the extraordinary general meeting, Public Shareholders shall submit a copy of the certificate to the Company via their custodian bank by mail, by fax or by email to the Centralizing Agent in the period from June 23, 2011 until June 29, 2011.

Warrantholders (whose warrants are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the identity of the account holder, the number of Public Warrants recorded in their account and confirmation that such transfers of Public Warrants will be temporarily blocked until the close of the Special Meeting of Warrantholders. To participate and vote in the Special Meeting, warrantholders shall submit a copy of such certificate via their custodian bank by mail, by fax or by email until June 29, 2011 to the Centralizing Agent of the Company.

As soon as the Centralizing Agent has received the relevant certificate, an attendance card will be sent to the relevant Shareholder or warrant holder directly or through their broker, bank or nominee, if applicable. This attendance card may take time to reach the Shareholder or warrant holder.

Representation by Proxy

Holders of Shares or Public Warrants who are unable to attend the Extraordinary General Meeting or Special Meeting of Warrant holders in person may give voting instructions to the chairman of the Board of Directors, or to any other person designated by them.

Prior to giving voting instructions to the chairman of the Board of Directors, Shareholders and warrant holders must have obtained and delivered to the Centralizing Agent the completed, dated and signed proxy form and the certificates described above (see “—*Voting in Person*”). The proxy forms, which are attached hereto in Annex V, may also be obtained from the relevant Centralizing Agent or downloaded from the Company’s website.

The completed, signed and dated proxy form must be received together with the relevant certificate by the Centralizing Agent no later than on June 29, 2011.

A holder that wishes to be represented by a proxy other than the chairman of the Board of Directors must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). In addition, the person appointed as proxy must bring to the Extraordinary General Meeting the completed, dated and signed proxy form obtained from the Centralizing Agent or downloaded from the Company’s website. A copy of the completed, signed and dated proxy form must be returned together with the relevant certificate to the Centralizing Agent no later than on June 29, 2011.

Completing the proxy form and receiving and delivering the relevant certificate to the Centralizing Agent will take time. Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a proxy but who wish to revoke such proxy may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Voting Forms

You may also vote at the Extraordinary General Meeting or Special Meeting of Warrant holders through a voting form obtained from the Centralizing Agent or downloaded from the Company’s website, also attached hereto in Annex V. To use a voting form, you must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). A relevant certificate must be submitted together with the voting form to the Centralizing Agent no later than on June 29, 2011.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a voting form but who wish to revoke such voting form may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Completing the voting form and receiving and delivering the relevant certificate will take time to accomplish; Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to adopt proposals described in this proxy statement. The Combined Group's business, financial condition and results of operations could be materially adversely affected by any of these risks upon consummation of the Transaction. As a result the market price of the Company's shares may decline. The risks described below are not the only ones applicable to the Company. Additional risks that are not known to the Company at this time, or that the Company considers to be immaterial, based on its regular risk assessment, could significantly impair its business activities and have a material adverse effect on its business, financial condition and results of operations. The order in which these risks are presented is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks described below could materialize individually or cumulatively.

This proxy statement also contains forward-looking statements that are subject to future events, risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to the risks described below and elsewhere in this proxy statement.

Risks Relating to the Business of the Exceet Group

General business conditions and cyclicity in the industries and markets in which the major customers of the Exceet Group operate, as well as negative changes in worldwide economic conditions, could cause a decrease in demand, which could have a material adverse effect on the Exceet Group's business, financial condition and results of operations.

The financial condition and results of operations of the Exceet Group have been and could in the future be significantly negatively impacted by changes in general economic conditions and business conditions in the markets in which the Exceet Group's major customers operate. In the last two years, the global economy experienced a significant downturn, reflecting the effects of the credit market crisis, slower economic activity, a generally uncertain economic outlook, and a decrease in consumer and business confidence. More recently, concerns in the Euro-zone over deficits and proposed austerity measures and the broader concern over sovereign debt risks, particularly with respect to the sovereign debt of Greece, Ireland, Portugal and Spain, as well as concerns about overheated real estate markets in Asia have added to instability in the financial and currency markets and general uncertainty over the prospects of economic recovery. Such risks could be exacerbated further as a result of the events and developments in Japan in the wake of the earthquake and the tsunami that occurred in Japan in March 2011.

A slower-than-expected recovery of the economy or a repetition of the recent economic downturn would pose a number of significant risks for the Exceet Group, including:

- significant decline in revenue or slower-than-expected growth;
- significant reductions in volumes and/or selling prices or difficulties to maintain them at commercially acceptable levels;
- delays in, or curtailment of, purchasing decisions by the Exceet Group's customers or potential customers either as a result of overall economic uncertainty or as a result of their inability to access the liquidity necessary to engage in purchasing initiatives or new product development;
- increased credit risk associated with the Exceet Group's customers or potential customers, particularly those that may operate in industries most affected by the economic downturn;
- unprofitable operations or operations which are less profitable than expected;
- impairment of goodwill or other long-lived assets; and
- decline or slower-than-expected growth in cash flows.

To the extent that the currently strengthening economy takes a downturn again or weakens or that another economic downturn occurs, the Exceet Group's business, financial condition and results of operations could be significantly and adversely affected.

Some of the markets in which the Exceet Group operates are highly competitive and the Exceet Group might be adversely affected if it was unable to adapt to competitive threats.

The Exceet Group experiences substantial competition in certain segments of its end markets. Price competition, technological innovation and production speed are often key factors in determining which company,

among qualified contractors, will be awarded a contract. In addition, since the Exceet Group's customers could be under pricing pressure themselves, they could exploit their market power when purchasing. While the Exceet Group has strong technological and process know-how and offers a number of highly customized systems, products and processes that integrate various advanced technologies, the ability of its business segments to maintain their respective current market positions, as well as their future business prospects, depends to a large degree on their ability to meet changing customer needs, anticipate and respond to technological changes, identify, develop, market and sell competitive products and services and develop effective and competitive relationships with their customers and suppliers. To remain competitive, the Exceet Group will need to continue to invest in technology, development capacities, sales and marketing, customer service, IT (information technology) infrastructure and manufacturing operations. There can be no assurance that the Exceet Group will have sufficient resources to make these and other investments.

Some of the markets in which the Exceet Group operates are highly fragmented, with a few large, international manufacturers competing against each other and against a large number of small and medium-sized local companies focusing on fewer products and a select group of customers. Furthermore, some of the Exceet Group's products (in particular smart cards offered by the IDMS segment are subject to intense competition from manufacturers with substantial production capacities in low-cost countries. As the markets for embedded systems, smart card-based technology and embedded security solutions grow, the Exceet Group may experience additional competition from companies that are currently its suppliers, customers and strategic partners, including system integrators, card manufacturers and microchip manufacturers. As suppliers and customers operating in low-margin end-markets try to target new end-markets for growth opportunities, this risk will significantly increase. Moreover, if a significant customer chooses to compete with the Exceet Group, the Exceet Group will likely lose its business as well. The relatively high-margin niche markets in which the Exceet Group operates may also attract new entrants that are not currently among the market participants.

Some of the companies competing with the Exceet Group in certain areas have a number of significant advantages over the Exceet Group, including: larger production capacities, greater name recognition and marketing power or preferred vendor status with the Exceet Group's existing and potential customers. Moreover, some of its competitors have significantly greater financial resources than the Exceet Group does, which may make them better able to withstand any sustained economic downturn and provide necessary financial support to secure new contracts, to withstand fluctuations in demand for goods and services, or to effectively compete for existing demand for such goods or services. Besides, existing or potential competitors of the Exceet Group may establish cooperative relationships with each other or with third parties and thereby increase their position even further. Furthermore, due to their more significant resources some of the competitors of the Exceet Group can invest more in development as well as technology enhancements than the Exceet Group. Some of the Exceet Group's competitors are also engaged in research projects related to technologies relevant for markets in which the Exceet Group operates. Therefore, these competitors may in the future be able to offer a more comprehensive or specialized product range in some of the Exceet Group's business areas at competitive pricing. As a consequence, the competitive edge that the Exceet Group currently claims to hold due to its know-how and process expertise could be reduced or even completely eliminated. The loss of this leading role in technology and innovation could result in the loss of important customers, difficulties in attracting new customers and, in turn, the loss of significant market share.

Each of the above factors could have a material adverse effect on the business, the financial condition and the results of operations of the Exceet Group.

The Exceet Group is subject to risks arising from consolidation in the markets in which it operates and the consolidation of its competitors and industries to which it sells its products.

Some of the markets in which the Exceet Group operates are very fragmented, with a large number of small to medium-sized companies and a few large groups of companies competing with the Exceet Group in selected areas. Over the past several years, there has been consolidation within certain of the markets in which the Exceet Group operates. Further consolidation in the future could result in the formation of larger competitors with greater market shares and greater financial and technological resources than those of the business segments of the Exceet Group and further increase competition in the industries and markets in which the Exceet Group operates. A more dominant market position of a competitor in any of these industries and markets could enable this new competitor to exert influence on prices and terms. Should the Exceet Group be unable to defend its market share by continually developing new products and solutions and/or reducing its own cost base, the price pressure exerted by competitors could cause the Exceet Group to lose important customers. This increasing competition could in future also lead to falling prices and declining margins.

Consolidation also occurs in the industries to which the Exceet Group sells its products, such as medical technology, financial services and avionics (aviation and electronics). Consequently, in certain industries and countries the number of potential customers for the Exceet Group's businesses is decreasing, and it faces larger customers with stronger market position. This development could put downward pressure on the Exceet Group's selling prices and margins.

Each of the above factors could adversely affect the Exceet Group's business, financial condition and results of operations.

The markets that the Exceet Group has targeted for a substantial part of its future growth, in particular in its Embedded Security Solutions products, are still in the stage of development and may not develop rapidly, profitably or at all.

Some of the markets in which the Exceet Group operates, in particular the markets targeted in the area of Embedded Security Solutions for future growth with products combining technology and know-how from Exceet Group's ECMS and IDMS segments to create embedded security solutions, are in a phase of further technological development and establishment of new products and processes. This is particularly true with regards to the markets for medical technology, security, avionics, industrial automation and government. The future commercial success of Embedded Security Solutions products depends on the one hand on the Exceet Group's ability to timely develop tailored solutions when there is potentially an attractive market for such products and on the other hand on the acceptance of the products by the market. The main factors which may prevent or significantly obstruct the timely product development are technological difficulties and insufficient financial resources. The acceptance of Embedded Security Solutions products will to a large degree depend on the Exceet Group's ability to convince potential customers of the advantages of its products. Factors which may have an impact on the market acceptance of Embedded Security Solutions products include:

- the existence of practical benefits;
- the availability of alternative and competing products for the relevant area of application;
- a favorable cost/benefit ratio; and
- the effectiveness of the marketing, sales and pricing strategy.

If the new technologies and products on some or all of these markets do not develop successfully, or if they develop more slowly than the Exceet Group anticipates, then the Exceet Group might fail to achieve its growth targets or its profitability goals, which could have a material adverse effect on its business, results of operations and financial condition

In addition, there are a number of competing technologies for a wide range of applications in several of the markets which the Exceet Group target in its ECMS segment as well as its IDMS segment, some of which could be given preference over the Exceet Group's products and solutions. An example for such a challenge in the markets targeted by the ECMS segment involves the use of the laser direct structuring ("LDS") technology for the production of molded interconnect devices ("MIDs"), rather than the use of flexible printed circuit boards offered by the ECMS segment. Should the LDS technology and the use of MIDs establish itself on the market, the ECMS segment would have to make considerable investments for the adoption of such production methods in order to continue to apply state-of-the-art technology.

Finally, as the new technologies and products in the above-mentioned markets are still emerging, clear trends in pricing have yet to emerge. Final prices will be determined by and depend on the complexity of the new products or technologies and the level of competition faced by them at the time of their introduction. Those prices may be lower than originally expected at the time of development and/or production. This could significantly impact the margins and profitability of the new products and technologies.

Each of the above factors could have a material adverse effect on the business, the financial condition and the results of operations of the Exceet Group.

If the Exceet Group loses its ability to find innovative and flexible solutions or is unable to keep up with changes in industry standards or developments in technology, particularly, if it is incapable of mastering new technologies and processes, its currently offered solutions and products may no longer be competitive and it may become unable to supply its customers.

To a large extent, the Exceet Group offers its customized embedded products and solutions to system integrators. Such system integrators often operate in markets (e.g., the medical engineering or the avionics market) marked by rapid technological changes because of frequent new product introductions and enhancements, changes in customer demands and evolving industry standards. New products based on new or improved technologies or new industry standards in these end-user markets can render existing products and services of customers of the Exceet Group obsolete and unmarketable and motivate them to seek the Exceet Group's support in designing and manufacturing new products. In order to meet the individual requirements of its customers, the Exceet Group needs to continually enhance its current products and develop innovative and flexible solutions, keeping up with the technological progress. Any delays in finding innovative and flexible solutions or in keeping pace with continuous technological change may cause it to lose its existing customer base or prevent it from expanding it. A poor sales execution or a product launch delay, which bears the risk to lose a technological advantage over competitors or to miss a temporary market opportunity, could also result in a loss of potential customers. Each of the above factors could adversely affect the Exceet Group's business, financial condition and results of operations.

The Exceet Group may face volatility in the prices for certain components, raw materials and energy used in its business, which could adversely impact the competitive position of its products and may therefore result in a decrease of margins and profits.

The Exceet Group uses various raw materials in its products, particularly for the production of printed circuit boards and plastic cards, including epoxy, polyimide, copper, gold, silver, aluminum, platinum, PVC and polycarbonate, as well as purchased components for the manufacturing of electronic modules and smart cards, including a broad range of raw materials, such as silicon and copper. The costs of raw materials and components and the energy costs of its operations depend to a large extent on the world market prices, which have significantly fluctuated in recent years and which may be subject to further significant fluctuations in the future.

If the prices for raw materials and purchased components or energy costs were to rise, this would generate higher manufacturing costs for the Exceet Group. Raw material prices for crude oil (basic component of epoxy and polyimide which are, for example, used as base materials in the Exceet Group's production of PCBs) as well as energy prices are currently at a relatively high level. Should these prices continue to increase, the Exceet Group would be forced to cover its need for these raw materials, purchased components and energy at yet higher prices of its products, which could result in lower sales, or if the Exceet Group is not able to increase prices due to fixed price contracts or otherwise, to lower margins and profitability. Even though the Exceet Group seeks to enter into framework agreements regarding its most important raw materials and to maintain certain levels of stock of such materials to protect itself against raw material price volatility and to receive information about price increases in advance, there is no assurance that raw material prices will not rise sharply in the future or that its raw material price risk management tools will be sufficiently effective. The Exceet Group does not hedge raw material and energy prices.

Unless specifically agreed with customers, if a contract provides for fixed prices, it is generally difficult for the Exceet Group to pass increased prices for raw materials, purchased components and energy on to its customers. Sustained increases in prices for raw materials, purchased components and energy that cannot be passed onto its customers would have a material adverse effect on its business, financial condition and results of operations.

The Exceet Group operates complex manufacturing facilities and production processes. Any technical disruptions or manufacturing interruptions could harm its business.

In each of its business segments the Exceet Group operates complex manufacturing facilities and production processes. The Exceet Group's results of operations are dependent on the continued operation of its manufacturing facilities and production processes, as well as its ability to complete the development and construction projects on schedule and to be able to shift the production to another facility should unforeseen production difficulties occur. Any difficulties in the production process, any interruption of production or any power interruptions, including as a result of fire, explosions, accidents, mechanical failures, unscheduled

downtimes, terrorist attacks, severe weather conditions, or any other natural or man-made disasters, which the Exceet Group is not able to back-up by shifting the production temporarily to another of its production facilities on short notice, could harm its business, financial condition and results of operations.

The Exceet Group relies on the proper functioning of its computer and data processing systems, and a larger-scale malfunction could result in disruptions to its business.

The correct functioning of the Exceet Group's in-house servers and data processing systems is vital in order to ensure proper and error-free business performance in both administrative and operative areas. Hardware or software errors, as well as malicious software, could impair the functionality of the Exceet Group's facilities, which in turn may lead to service interruptions and production downtime with high losses. In addition, improvements and upgrades otherwise planned in the Exceet Group's IT units may be postponed or fail and in turn delay or obstruct planned product developments. If any or all of these risks arise, this could have material adverse effect on the Exceet Group's business, financial condition and results of operations.

New developments may compromise the security of the chip-based products and applications of the Exceet Group.

Many of the products of the Exceet Group, in particular in its IDMS segment, contain chips that use cryptography to secure transactions and exchange confidential information. These chips are equipped with secret keys that are required to encrypt and decode messages through the application of algorithms. The security afforded by this technology depends on the integrity of a user's secret key and the complexity of the algorithms used to encrypt and decode information. Any significant advance in techniques for attacking cryptographic systems, including the successful decoding of cryptographic messages or the misappropriation of private keys, could result in a decline in the security of cryptographic technology integrated in the Exceet Group's products. Moreover, some of the chip-based products of the Exceet Group also use the radio frequency identification (RFID) technology. There is the theoretical possibility of using such RFID technology to transmit viruses or disrupt complex systems. A reduction in the security and integrity of cryptographic technology or RFID technology, whether perceived or real, may negatively affect the market's acceptance of, or demand for, the Exceet Group's chip card-based products, which could have an adverse effect on its business, financial condition, results of operations and potentially its reputation.

In each of its business segments, the Exceet Group depends on a limited number of suppliers. A loss of its suppliers or distributors, interruptions or shortages in supply or an increase in the prices of its raw materials, component parts, sub-assemblies or modules may adversely affect its business operations.

The Exceet Group uses a limited number of suppliers and distributors to procure the raw materials, component parts, sub-assemblies and modules it requires for its products and systems. Third-party suppliers and distributors may have other customers and may not have sufficient capacity to meet all of its needs during periods of excess demand. For example, the products of the business segments of the Exceet Group are typically based on microchips, which are manufactured by chip manufacturers that also supply chips for a large number of other applications and manufacturers. Historically, fluctuations in demand for chips have led to shortages in chip supply, which in turn have caused chip producers to allocate available chips more selectively among their customers. In the future, chips manufacturers may allocate products to clients in other industries which source larger volumes, such as the automobile or consumer electronics industry, rather than to manufacturers of embedded systems and smart card-related products.

A delay in the delivery of necessary raw materials, component parts, sub-assemblies or modules could result in delays in projects or delivery of products, which could ultimately cause the customers of the Exceet Group being affected by these delays. These customers could potentially withdraw their orders, reduce their final orders, or claim damages for delayed delivery, which could have a material adverse effect on the business, financial condition and results of operations of the Exceet Group. In 2010, the Exceet Group had to overcome temporary shortages in some of its core components, for example, shortages in microchips which led to delays in delivery and smaller production lots per customer. Managing its inventory levels with regard to microchips is made particularly difficult by the fact that the lead-times for the procurement of semiconductors is significant compared to the volatility of demand from the Exceet Group's customers. The Exceet Group cannot guarantee that it will be able to secure an optimal or sufficient raw material and components supply at any time.

Shortages of necessary raw materials, component parts, sub-assemblies or modules may also cause a sharp rise in their prices, as it was the case with the prices for microchips. Such shortages could also be caused by

natural disasters such as the earthquake and the tsunami that occurred in Japan in March 2011. Such price increases can raise the production costs and may adversely affect the Exceet Group's business, financial condition or results of operations.

Furthermore, if, for example, the chip suppliers with whom the Exceet Group has established close working relationships cease to produce chips that are competitive from a technological and pricing standpoint, or if one of the Exceet Group's chip suppliers is acquired by a company with whom it does not have a prior relationship, its business may decline substantially as the Exceet Group may have difficulty establishing similar relationships with other chip suppliers. Moreover, there are typically fewer suppliers of new, more advanced chips in the initial stages of commercial development of such chips. For these reasons, in times of shortage, the Exceet Group may not be able to secure adequate supplies of chips at commercially acceptable prices. When a shortage or price increase relates to the chips used to produce higher-margin, value-added products, the operating margins of the Exceet Group may be adversely affected. Any of these factors could have a material adverse effect on its business, results of operations and financial condition.

If the Exceet Group was permanently to lose a supplier of important raw materials, component parts, sub-assemblies or modules, it also might be forced to alter the design of certain of its products in order to use raw materials, component parts, sub-assemblies or modules from other suppliers. In extreme cases, this could mean that the Exceet Group would be at least temporarily unable to produce, supply or service certain of its products. Such inability could have a material adverse effect on its business, financial condition and results of operations.

The Exceet Group depends on a limited number of customers.

In the year 2010, approximately 51.6% of The Exceet Group's revenues were derived from its top ten customers. Some of the Exceet Group companies have a significantly higher dependency on individual customers. Until all of the business segments of the Exceet Group secure customer relationships with substantially more customers, it is likely that they will experience periods during which they will be highly dependent on a limited number of customers. Dependence on a few customers will make it difficult to satisfactorily negotiate attractive prices for the Exceet Group's products and will expose it to the risk of substantial losses if a single dominant customer stops or reduces the volume of business conducted with the Exceet Group or delays payment of amounts due. This might have a material adverse effect on its competitive position, business, financial condition and results of operations.

The revenues and profits of the Exceet Group are subject to seasonal fluctuations.

Certain aspects of the business of the Exceet Group are subject to seasonal fluctuations. In particular in the IDMS business, the Exceet Group regularly has had disproportionately low revenues in the first two quarters of a calendar year, because some of its IDMS segment's customers typically order larger amounts of smart cards in the second half of the year, in particular towards the end of the year (typical examples include orders of annual tickets for public transportation or smart card-based ski passes). Consequently, the Exceet Group's revenues and profits may fluctuate significantly from one quarter to the next and operating results for any one quarter may not be indicative of operating results for consecutive periods or an entire financial year. Such fluctuations could further increase in the future. This general seasonal drop in demand may also lead to periodic shifts in revenues, which the Exceet Group will have to counter with an adequate liquidity management system which it may not always be able to provide. Should investors leave such fluctuations out of their investment considerations, the stock price of shares in the Company could fluctuate, in particular subsequent to the publication of interim reports. The materialization of one or more of the risks mentioned above may have a material adverse effect on its financial condition and results of operations and the stock price of shares in the Company.

The Exceet Group is subject to fluctuations in demand and related fluctuations in production capacities.

The demand for the products of the Exceet Group has in the past been subject to certain fluctuations (see “—*The revenues and profits of the Exceet Group are subject to seasonal fluctuations.*”). The Exceet Group does not continuously maintain the means of production (raw materials, parts, components etc.) and employees to meet maximum demand and instead tries to react flexibly to fluctuations in demand, for example, by using temporary employees and flexible multi-shift operations in its production processes. During periods of low demand, its production systems are used less intensively, which can lead to decreases in profitability or to losses. During periods of strong demand, on the other hand, the demand may possibly exceed existing production capacities and the capacities of the Exceet Group's suppliers to make deliveries and lead to difficulties on the part of the Exceet Group in making deliveries.

The maintenance of buffer stocks, as typically agreed with the most important suppliers, can at most act as a cushion for short-term difficulties in respect of deliveries from suppliers. Furthermore, the Exceet Group has not yet succeeded with respect to all required raw materials, parts and components in establishing supplier relationships with a larger number of suppliers in order to be able to procure the necessary parts in the same quality and quantity from a replacement supplier if one or several main supplier fail to deliver entirely or fail to deliver on time. In light of this there is the risk, which has already materialized in individual cases in the past, that the Exceet Group may not under certain circumstances be able to timely fulfill delivery obligations the Exceet Group has entered into as the result of delayed or cancelled deliveries of supplies.

If the Exceet Group does not succeed in reacting to fluctuations in demand and the related fluctuations in production capacities and procurement from pre-suppliers by means of a flexible working organization, in particular an adequate supply of temporary employees and the management of suppliers based on its needs, a reduced use of capacity with continuing high fixed costs could have negative effects on its financial condition and results of operations. Difficulties in making deliveries on the part of the Exceet Group resulting from unforeseen capacity overloads may under certain circumstances adversely affect existing customer relationships, lead to a loss of customers, create advantages for competitors and result in substantial harm to its reputation. These circumstances could have material adverse effects on the Exceet Group's business, financial condition and results of operations.

The Exceet Group faces payment risk from its customers.

The Exceet Group is subject to a number of trade risks including longer accounts receivable payment cycles and difficulties in collecting accounts receivable in certain countries. The Exceet Group cannot guarantee that it will be able to manage these risks, many of which are outside its control. Delays in the implementation of, or in payments related to, significant orders and projects may also have a negative effect on the timing of its revenues, which may cause its quarterly operating results to fall below investor expectations which may lead to fluctuations of the stock price of shares in the Company. All of these factors could have a material adverse effect on the Exceet Group's business, results of operations, financial condition and the stock price of shares in the Company.

Defects of third party products integrated in the products of the Exceet Group could result in substantial harm to the reputation of the Exceet Group.

In each of the Exceet Group's three business segments, it regularly uses, at its customers' specific request, modules which have been produced and programmed by third party manufacturers and integrate them into chip cards developed and manufactured by the Exceet Group for such customers. The Exceet Group cannot exclude the possibility, as was the case in the past, that such third party components contain hidden defects which may affect the functionality of the entire chip card or may render the chip card unusable. In particular in the finance sector, where due to the large volumes of chip cards issued to customers of the Exceet Group's clients, such malfunctioning cards could result in substantial harm to the reputation of the Exceet Group and ultimately strain its customer relationship or lead to a loss of customers even though it was a third party product and not the product of the Exceet Group which was defective. These circumstances could have material adverse effects on the Exceet Group's business, financial condition and results of operations.

The Exceet Group may be subject to product liability suits and losses in sales, which could adversely affect its business.

Despite the quality assurance measures taken by the Exceet Group, products or systems developed, produced or installed by it may have quality defects or fail to meet customers' specifications. If such a defect were to arise, it could result in product recalls or a product liability claim against the Exceet Group. Such a claim may be brought against the Exceet Group even if the defective product or system was not produced by it, but was incorporated into a product or service offered by the Exceet Group. Furthermore, pursuant to some of the Exceet Group's customer contracts, the Exceet Group has to indemnify its customers against product liability claims of third parties, in particular, claims of the product end-users.

Given the technical sophistication of most of the Exceet Group's products, it can give no assurance that it will not encounter problems or delays with its products, despite the technical validation processes and intensive testing it implements. Any such problems or delays could be costly, could harm its reputation, lead to customer losses or affect its ability to sell other products and could have a material adverse impact on the Exceet Group's business, results of operations and financial condition or cause its products to be less attractive to customers than those of its competitors.

A large or a number of smaller product liability judgments against the Exceet Group could exceed its insurance coverage and might result in a material loss to the Exceet Group. In addition, publicity resulting from an actual or perceived problem with one of the Exceet Group's products or systems could harm its reputation and reduce demand for its products and systems. Actual or threatened product liability suits may adversely affect the business, financial condition and results of operations of the Exceet Group.

The Exceet Group faces risks relating to its contractual guarantees and statutory warranties.

The Exceet Group grants comprehensive contractual guarantees (*Garantien*) to its customers on the products it develops and sells. This also includes to some extent guarantees on availability by means of which the Exceet Group guarantees the operational readiness and effectiveness of contractual products for contractually determined periods of time. In addition, statutory warranties (*Gewährleistungsrechte*) also apply to its products. It cannot be excluded that the Exceet Group may be subject in the future to substantial claims under guarantees and/or warranties, especially in the case of an unexpectedly large volume of product failures. It should be noted that a relatively short period of historical experience exists with regard to the failure of products and the risk resulting from guarantees and warranties in the Exceet Group's industry as compared to other industries which have already been in existence for longer. Therefore, there is also a risk that the calculated prices for the granted contractual guarantees may be set too low.

The suppliers and distributors of the Exceet Group have also granted it contractual guarantees so that guarantee claims of Exceet Group's customers can in part be passed on to the suppliers and distributors if the product defects can be proven to have been caused by the supplier or distributor concerned. However, the scope of the guarantees granted to Exceet Group by the suppliers and distributors falls normally short of the scope of the guarantees granted by Exceet Group to its customers. In addition, some of Exceet Group's supply agreements provide for liability caps for the benefit of the suppliers or distributors. Furthermore, the terms of the guarantees granted to Exceet Group by its suppliers and distributors typically start prior to the terms of Exceet Group's guarantees granted to its customers. Provided that both guarantee terms are identical, this typically leaves Exceet Group without a recourse right towards the end of the term of the Exceet Group's guarantees granted to its customers. The latter also is true should the Exceet Group be facing warranty claims of its customers. There is also no assurance that the suppliers and distributors will be actually able in the case of existing guarantee and/or warranty claims to meet these claims. Furthermore, there is the risk that product defects may arise from errors in construction or production within the Exceet Group's area of responsibility. The insurance coverage in such cases may be very limited. If guarantee or warranty risks are realized, this could have a material adverse effect on the business, financial condition and results of operations of the Exceet Group.

The Exceet Group may not be able to deliver certain products for guaranteed contracts in the next one to ten years.

The Exceet Group periodically guarantees to its customers additional deliveries of certain of its products, particularly in its ECMS segment, during agreed time periods, which usually range between one and 10 years. Such guarantees bear the risk that it will not be able to meet its obligations thereunder on time or at all because of unavailable components, loss of necessary production or technological capabilities, business interruptions or for other reasons. As a result, the Exceet Group might be held liable by its customers, which could have a material adverse effect on the Exceet Group's business, financial condition and results of operations.

The Exceet Group may not be able to integrate newly acquired companies into its existing operations successfully and may face other adverse consequences of acquisitions.

In the past, the Exceet Group has grown its business to a large extent through acquisitions, and in the future it plans to continue to acquire or invest in businesses primarily within Europe as part of its growth plan. The ability of the Exceet Group to do so depends in part on its ability to identify suitable acquisition targets, finance their acquisitions and obtain required regulatory and other approvals. The cash contribution to be made to Exceet Group AG as part of the Transaction will be utilized in part by the Exceet Group for possible purchases of target companies. However, the Exceet Group may have to finance future acquisitions through incurring additional indebtedness. Should the Exceet Group selectively acquire companies in financial distress, it may also need to recapitalize such companies. There can be no assurance that the Exceet Group will be able to obtain funds to finance the liquidity needs of acquired companies in financial distress or requiring significant capital expenditures on favorable terms, or at all.

The success of the Exceet Group's acquisitions will depend on the integration of the acquired operations into its existing operations. Any acquisitions that the Exceet Group has completed or will complete are

accompanied by the risks commonly encountered with acquisitions of companies or businesses, such as diversion of management's attention from the normal operation of the business, potential loss of key employees and customers of the acquired companies or the risks of entering markets in which the Exceet Group has no or limited prior experience and personnel. In addition, the integration of acquired businesses could be more complicated, time-consuming and difficult than initially expected and could result in delays and in being more expensive than expected. If the Exceet Group was unable to successfully integrate acquired operations, new personnel, technology, software, products and services or to complete the integration on time, or to successfully manage the expenses and risks associated with integrating the administration and information systems of acquired companies, the business, financial condition and results of operations could be adversely affected. No guarantees can be made that anticipated synergies, if any, will be achieved in connection with any acquisition. In addition, any potential acquisition subjects the Exceet Group to the risks of the assumption of unexpected liabilities relating to the acquired assets or businesses and the possibility that indemnification agreements with the sellers of such assets or businesses may be unenforceable or insufficient to cover potential liabilities. A decision to extend the Exceet Group's presence to new jurisdictions could also subject it to a variety of new regulatory requirements, including more stringent export control, environmental, health and safety requirements as well as labor regulations. In addition, the purchase price paid for the acquired businesses could prove to be inadequately high.

Furthermore, the Exceet Group may acquire target companies which are less profitable and have lower EBITDA margins than the Exceet Group, which, prior to the integration and an improvement of the performance of such target companies, may initially lead to a dilution of the EBITDA margins of the Exceet Group. In addition, future acquisitions or divestitures could result in potentially dilutive issuances of equity securities, debt incurrence, contingent liabilities or amortization expenses, write-offs of goodwill or integration expenses and additional costs not initially expected, any of which could have a material adverse effect on the Exceet Group's business, financial condition and results of operations. On the other hand, any inability to expand its operations in an efficient manner could cause the business of the Exceet Group to be less competitive, its revenues to decline or grow more slowly than expected, or in general have a material adverse effect on its business and the value of an investment in the Company's shares.

The Exceet Group may be unable to divest or sell businesses and assets successfully that are underperforming, or implement other cost reduction measures.

The Exceet Group's business strategy seeks to develop and optimize its business portfolio and achieve a stable and profitable business structure in part by closing unprofitable operations, divesting subsidiaries or parts thereof, affiliated companies and assets outside of its core business, reorganizing production bases and sales networks, and reducing its fixed costs and procurement costs. Such restructuring efforts may not be implemented in a timely manner or at all, including due to employment issues or a lack of demand in the M&A market for businesses or assets the Exceet Group may seek to sell. As a consequence, the Exceet Group may need to finance the liquidity needs of unprofitable subsidiaries or parts of its business for longer periods and may need to recapitalize such entities to a larger extent than the Exceet Group presently anticipates. Restructuring efforts may also bring about unintended consequences, such as negative public, customer or employee perceptions, and have caused and may continue to cause the Exceet Group to incur significant expenses and other costs, including additional impairment losses on its goodwill, long-lived assets and intangible assets, write-offs of inventory and losses on the disposal of fixed assets and losses related to the sale of securities. Current and future restructuring efforts may be unsuccessful or less successful than the Exceet Group anticipated and may have an adverse effect on its business, financial condition and results of operations.

The Exceet Group may have to recognize goodwill impairment losses.

As of March 31, 2011, the Exceet Group had substantial goodwill in the aggregate amount of CHF 37,797 thousand, or 22.6% of its total assets, on its balance sheet resulting from past acquisitions. Factors such as lower sales or lower net cash flows from the acquired businesses than expected, as well as changes in discount rates could require the Exceet Group to record significant impairment charges in the future, which would have a material adverse effect on its financial condition and results of operations.

The Exceet Group may be unable to achieve its financial objectives as planned or at all.

The Exceet Group's management has set financial objectives to achieve an organic revenue growth of 10-15% per year and a revenue growth through acquisitions of 10-20% per year and to increase its EBITDA margin in the medium term to 18%. The achievement of these objectives is dependent on a large variety of factors, not all of which are under control of the Exceet Group or can be predicted with certainty. Many factors,

including those described in this “Risk Factors” section and elsewhere in this proxy statement could cause the Exceet Group to fall short of these targets. Therefore, there can be no assurance that the Exceet Group will be able to achieve the above financial objectives within the expected time period or at all.

The Exceet Group may not be able to protect its know-how, trade secrets and intellectual property.

The Exceet Group markets advanced systems and processes, a number of which rely on trade secrets and know-how as well as, to a lesser extent, on patents, trademarks, and/or other intellectual property rights and most of its production machines are customized for its production purposes by means of software programs written by its own experts. Although the Exceet Group takes steps to safeguard its process know-how and its intellectual property rights to maintain all rights necessary to use the intellectual property employed in its businesses, third parties may find out about its trade secrets, software programs or infringe rights that the Exceet Group regards as proprietary and may develop products and/or services that compete with the Exceet Group’s products and processes. The measures taken by the Exceet Group to protect its process know-how and its intellectual property rights could also prove to be less effective than the Exceet Group expects. Should the Exceet Group’s employees switch to a competitor or decide to become self-employed and in this context, disclose confidential information of the Exceet Group or its process know-how or make use of the Exceet Group’s intellectual property, either lawfully or unlawfully, this could lead to the Exceet Group’s intellectual property and/or its process know-how being exploited to the detriment of the Exceet Group and possibly also to the loss of customers. In addition, the laws of some countries do not provide full protection of intellectual property rights in products and technology. The Exceet Group’s efforts to implement protective measures and to register, where appropriate, and defend its intellectual property rights may not be sufficient. In addition, the customers of the Exceet Group could challenge the validity of its license agreements or parts thereof, in particular, the validity of software license agreements of the ESS segment. Furthermore, the Exceet Group might be implicated in lengthy and costly litigation to protect its intellectual property, the favorable outcome of which cannot be guaranteed. There can also be no guarantee that the Exceet Group will be able to take measures to protect its trade secrets, patents, trademarks and/or other intellectual property rights effectively in the future.

Moreover, some of the Exceet Group companies purchase individual components and component parts from suppliers who produce such items in accordance with predetermined specifications provided by the relevant Exceet Group company. Suppliers, in violation of contractual agreements, may utilize or share the technical expertise the Exceet Group conveys to them with third parties. The Exceet Group competitors could become aware of its trade secrets or confidential information in any other way and exploit them to the detriment of the Exceet Group.

All of these factors could have a material adverse effect on the Exceet Group’s business, financial condition and results of operations.

Third parties could take action against the Exceet Group for infringement of intellectual property rights.

The Exceet Group sells its products worldwide with a strong focus on Europe. It is possible that third party intellectual property rights exist in certain countries in respect of some of the technologies and processes used by the Exceet Group which are unknown to it. In certain cases, the Exceet Group also uses software that is subject to special contractual terms and conditions, including so-called open source software. In such cases, specific terms of complex licensing agreements may not be properly observed. It also cannot be ruled out that third parties may take legal action (either in or out of court) against the Exceet Group for infringement of these intellectual property rights. Any appeal against claims for infringement could delay or prevent the development or delivery of products by the Exceet Group. There is also the risk that - in the event of a finding against the Exceet Group - the Exceet Group may be obliged to pay damages, enter into costly usage or license agreements, or be prohibited from using the intellectual property rights belonging to a third party (without being able to find a suitable replacement). Depending on the extent of any damages that may be payable, this could have considerable repercussions on the Exceet Group’s business, results of operations and financial condition.

In addition, in connection with the supply of most of the Exceet Group’s products, the Exceet Group is typically required to indemnify customers against third-party intellectual property infringement suits resulting from their use of the Exceet Group’s equipment and/or processes. Any successful action against, or prosecution of, the Exceet Group for costs incurred either directly or indirectly under the indemnities provided to its customers, could also have a material adverse effect on the business, financial condition and results of operations of the Exceet Group.

Privacy concerns with regard to certain of the Exceet Group's technologies may have a negative impact upon acceptance of its products and could significantly increase its costs.

People have in the past expressed, and may in the future express, objections to aspects of certain of the Exceet Group's products and technologies, which it is using for its products, for example, biometric smart cards, the RFID technology or near field communication (NFC) technology. Some individuals and organizations have raised privacy concerns relating to the potential for abuse of biometric data on smart cards or RFID technology by governments, corporations, criminals and terrorists as a means by which to track individuals and/or to gain sensitive information about their identities and habits. Concerns that the purported benefits of corresponding technology do not outweigh what its critics consider to be significant privacy risks may cause delays in the implementation of related projects, or may even cause such projects to be abandoned. In addition, fears regarding the real or perceived potential for abuse of biometric smart cards, RFID-based devices or other technology may cause consumers and citizens to boycott or protest against items containing the Exceet Group's products. If privacy concerns cause project delays or consumer resistance to such technology, demand for the Exceet Group's products may decline and the business, results of operations and financial condition of the Exceet Group may be adversely affected.

Furthermore, governmental entities may use such discussions to enact and revise laws, rules and regulations covering issues such as privacy, quality of products and services and the use of cryptography. Such laws, rules or regulations could significantly increase the compliance costs of the Exceet Group and adversely affect its business, financial condition and results of operations.

The Exceet Group maintains a large amount of sensitive information (including personal data) about itself, its customers and third parties. Its inability to maintain the confidentiality of such information may adversely affect its business, financial condition, results of operations, reputation and credibility.

The Exceet Group keeps and manages personal data obtained from its customers (including personal data on clients of its customers, particularly in the retail and banking sector), as well as confidential information relating to the Exceet Group's technology, production, marketing and business operations and those of its customers and clients, in various forms, including electronic data bases. Particularly in connection with its card personalization services, the IDMS segment routinely handles personal data relating to its customers' clients and has to comply with the applicable data protection laws. In the financial services business, for example, the IDMS segment receives information relating to the card end-user, including bank account numbers and credit or debit parameters, and generates the personal identification numbers (PIN) that activate and allow the use of the card. The IDMS segment processes and uses personal data of the card end-user as instructed by its customers and as a so-called data processor under the German Federal Data Protection Act (*Bundesdatenschutzgesetz*). As data processor, the Exceet Group companies pertaining to the IDMS segment have to accept certain requirements in their customer agreements and provide for adequate organizational and technical measures to protect the card end-user's data. Although the Exceet Group has implemented controls to protect the confidentiality of such data and particularly the IDMS segment's card personalization activities have been accredited the principal security certifications available from financial industry organizations and bodies, there can be no assurance that such controls will be effective and the Exceet Group will be able to prevent every attempt, internal or external, to breach its security systems and misappropriate and fraudulently use confidential data. In the case of a data breach related to the personal data of card end-users, the Exceet Group has to inform its customers, who might be under an obligation to inform the affected card end-users. Unauthorized disclosures of personal data and other confidential information as well as any other breach of data protection laws could subject the Exceet Group to complaints or lawsuits for damages or could otherwise have a negative impact on its business, financial condition and results of operations as well as on its reputation and credibility.

Legislation and changes in the application of existing laws and regulations relating to data protection may adversely affect the business, financial condition and results of operations of the Exceet Group.

The Exceet Group, and particularly the IDMS segment is subject to strict data protection laws (including the German Federal Data Protection Act (*Bundesdatenschutzgesetz*)), rules and industry regulations. The enactment of new or amended legislation or industry regulations or changes in the application of existing laws and regulations by public authorities and courts arising from public concern over data privacy issues could have a material adverse impact on the Exceet Group's business. New legislation or industry regulations or changes in the application of existing data protection laws and regulations could, for example, place restrictions upon the processing of personal data or subject it to additional requirements. This could require the Exceet Group to make additional investments and lead to a significant increase of the Exceet Group's cost relating to the compliance

with such laws and regulations as well the safeguarding of the Exceet Group's data bases. As a result, the Exceet Group would be either forced to accept the margin decrease for services related to the processing of personal data or would have to pass on the cost increase to its customers, hereby reducing the attractiveness of its affected services. All of this could have a material adverse effect on the business, financial condition and results of operations of the Exceet Group.

The Exceet Group may suffer losses which are not covered by its insurance policies.

The Exceet Group maintains a number of separate insurance policies to protect its segments against loss to their property and/or liability to third parties. Insured risks may from time to time include general liability, employer's liability, property damage and business interruption liability. There are, however, certain types of losses that are typically excluded from such insurance policies, including, losses occasioned by war, terrorism, intentional acts, gross negligence and criminal acts. In addition, insurance policies have limitations on the maximum amounts that may be recovered for any loss event or any series of losses, and have deductibles or self-insured retentions that must be exhausted before the insurance company is obligated to pay out on a claim. Any uninsured loss, any loss or a succession of such losses, could have a material adverse effect on the Exceet Group's business, results of operations and financial condition. There is no assurance that the Exceet Group will be able to renew its insurance policies on current prices and current terms. It is possible that in the future the Exceet Group may either be required or would elect to assume a greater level of self-insured risk. Any such assumption of greater risk could increase the volatility of the Exceet Group's earnings and have a material adverse effect on its business, financial condition and results of operations.

The Exceet Group's present and future success depends on its ability to attract and to retain highly qualified management and skilled staff.

The future success of the Exceet Group to a large extent depends on the ability of its individual segments and companies to attract and to retain highly qualified executive employees and skilled staff, in particular specialists in the fields of engineering and programming. If the Exceet Group was to experience a high level of staff fluctuation or if its competitors were to successfully recruit the Exceet Group's specialist teams or parts thereof, the Exceet Group might not be able to recruit new staff without incurring delays or additional costs. If the Exceet Group was unable to continue to recruit and to retain highly qualified management and sufficient numbers of skilled staff in the areas of development, production, marketing, distribution and service, this could have a material adverse effect on its business, financial condition and results of operations.

The present and future success of the Exceet Group also depends to a significant extent on a number of members of its senior management and technical personnel, who have significant and often highly sector-specific technical, managerial, and production-related experience in the industry. The Exceet Group's core senior managers and key employees are not obligated to remain with the Exceet Group for a specific period of time and may choose to leave the Exceet Group at any time. If the Exceet Group loses the services of one or more of its core senior managers, sales people or other key employees, or if one or more of them decide to join a competitor or otherwise compete directly or indirectly with the Exceet Group, it may not be able to manage its business as efficiently as in the past, which could prevent the Exceet Group from growing as quickly or as profitably as the Exceet Group expects and have a material adverse effect on the Exceet Group's competitive position, business, financial condition and results of operations. For the related risk of the Exceet Group's intellectual property and its trade secrets being disclosed and utilized by its former employees, see "*The Exceet Group may not be able to protect its important intellectual property and trade secrets.*"

The Exceet Group's operating results may be adversely affected by the impact of occupational health and safety, labor, environmental, competition, tax, and other laws or regulations to which it is subject.

The Exceet Group is subject to, and must comply with, a variety of supranational, national and local laws and regulations in a number of areas, including export control, occupational health and safety, labor relations, protection of the environment, competition and taxation, duties and levies. As these laws and regulations are constantly evolving and generally becoming more stringent, the cost of compliance with laws and regulations is expected to increase in the future. For example, the enactment of new or amended labor legislation increasing the level of employment protection could lead to an increase of labor expenses. Consequently, there can be no guarantee that the need to comply with such laws and regulations would not adversely affect the Exceet Group's results of operations and financial condition. Furthermore, in the event of the Exceet Group's failure to comply with such laws and regulations the Exceet Group could be subject to substantial liability and/or could be forced to significantly change its operations.

In addition, the labor and environmental laws and regulatory environments, which are particularly stringent in some of the countries where the Exceet Group currently has production operations, especially in Germany and Switzerland, could delay or increase the costs of production process enhancements, relocations of production processes to other countries or necessary restructurings or downsizings. Moreover there can be no assurance that the operations of the Exceet Group will not be effected by labor strikes.

Furthermore, amendments to certain laws and regulations could make some of the Exceet Group's products or services less attractive to its customers. In particular, some of the services of the ESS segment relating to the provision of qualified signatures offer its customers the advantage of issuing electronic invoices which can be used by the recipients of such invoices for purposes of an input value added tax credit or refund under the German Value Added Tax Act (*Umsatzsteuergesetz*). Should the statutory requirements regarding the form of electronic invoices for value added tax deduction purposes be relaxed, the demand for some of the services of the ESS segment could decrease.

Any of these factors could have a material adverse effect on the competitive position, business, financial condition and results of operations of the Exceet Group.

In order to be eligible to supply certain customers, the Exceet Group must satisfy industry standards as well as obtain and maintain certifications.

Many of the customers of the Exceet Group (particularly, system integrators), especially in the financial services and the medical engineering markets, must satisfy a range of criteria and conditions set by various industry bodies and organizations, for example, certify their end products, in order to be eligible to distribute these products. As a consequence, the Exceet Group's customers affected by such certification requirements, expect their suppliers to meet the standards and criteria relating to the suppliers' own products. Such component certification considerably facilitates the certification of the complete end product. In order to be eligible for a contract to supply products to a system integrator, the Exceet Group must meet applicable standards and criteria, which tend to change over time. The process of developing the Exceet Group's products and obtaining the certifications necessary to demonstrate compliance with relevant industry standards requires significant continuing efforts and investments. The investments of the Exceet Group in quality control and improved security standards as well as its costs related to certification processes have been considerable, and they may need to increase as its business expands and new certification requirements are introduced, which may adversely affect its business, results of operations and financial condition. Furthermore, if the Exceet Group fails to meet existing or future standards and criteria, it may become ineligible to provide products and services that have in the past constituted an important part of its revenue and profits or that are relevant for the implementation of its growth strategy (such as the specific certification under the National Aerospace and Defense Contractors Accreditation Program (Nadcap), a global cooperative standards-setting program of major aerospace companies for aerospace engineering and defense and related industries) for which the Exceet Group is in the process of preparing the application), which could also have a material adverse effect on the competitive position, business, financial condition and results of operations of the Exceet Group.

Certain of the Exceet Group's products and supplies are subject to export restrictions.

As "dual-use products", *i.e.*, products that can be used for both military and non-military purposes, some of the Exceet Group's products (*e.g.*, embedded modules and systems as well as PCBs of the ECMS segment used for applications in the avionics segment or applications of the IDMS and ESS segments which use encryption technology) are subject to export restrictions that prohibit the export of dual-use products to certain countries or make their export subject to export licenses, which usually take a substantial amount of time and efforts to obtain. If such licenses expire, are withdrawn or if additional countries impose similar export restrictions, or if the existing requirements for obtaining export licenses become more burdensome, the Exceet Group may be further restricted in distributing some of its products, or its distribution expenses may increase. Such further restrictions could have a material adverse effect on its business, financial condition and results of operations.

The same applies to certain technologies, raw materials, component parts, sub-assemblies and modules provided by the Exceet Group's suppliers and distributors and required for its products and systems. Price increases of such supplies resulting from tightened export restrictions can raise the Exceet Group's production costs and may adversely affect its business, financial condition or results of operations. If export licenses for such supplies expire, are withdrawn or if additional countries impose similar export restrictions, or if the existing requirements for obtaining export licenses become more burdensome, the Exceet Group may experience delays in delivery of important supplies or may not be provided with such supplies at all. A delay in the delivery of

necessary technologies, raw materials, component parts, sub-assemblies or modules could result in delays in its projects or delivery of its products, which could ultimately have a material adverse effect on the business, financial condition and results of operations of the Exceet Group. For a more detailed description of possible consequences of supply shortages, see *“—In each of its business segments, the Exceet Group depends on a limited number of suppliers. A loss of its suppliers or distributors, interruptions or shortages in supply or an increase in the prices of its raw materials, component parts, sub-assemblies or modules may adversely affect its business operations”*.

The Exceet Group is exposed to exchange rate risks.

The Exceet Group transacts most of its business in the following currencies: euro, Swiss francs and U.S. dollars. As it generates a sizeable part of its revenues outside of the euro-zone while most of the equipment and raw materials for its production are purchased from European manufacturers and distributors in euro, it is subject to fluctuations in foreign exchange rates, particularly between euro and Swiss francs (and, to a lesser extent, between euro and U.S. dollars). The Exceet Group's currency risks are not hedged. Even though the Exceet Group seeks to balance currency needs among the Exceet Group companies, to increase pricing of its goods in euro, to include exchange rate adjustments in its framework contracts and to include additional foreign exchange margins in its pricing, these measures of decreasing the exchange risk exposure may prove to be insufficient and/or inappropriate. Moreover, the business activities of the Exceet Group's foreign competitors could be favored by exchange-rate advantages, meaning that the Exceet Group may lose customers and suffer a drop in revenue. Since the foreign exchange markets are subject to high volatility, exchange rate fluctuations could, in future, have a material adverse effect on the business, financial condition and results of operations of the Exceet Group.

Exchange rate risks also arise from the fact that - in the context of consolidation - the financial information contained in the financial statements of the consolidated Exceet Group companies prepared in the relevant local currencies have to be converted into Swiss francs (the Exceet Group currency) in order to include such information in the Exceet Group's consolidated financial statements.

The Exceet Group has received public subsidies and may face repayment risks.

The reported expenses of the Exceet Group have been reduced in recent years by various subsidies received from public entities. In particular, the Exceet Group company AEMtec GmbH has received, and expects to continue to receive, subsidies from competent national German authorities, in connection with selected development projects initiated by its customers. The Exceet Group recognized public subsidies as “other operating income” in an aggregate amount of CHF 626 thousand in the 2010 financial year.

As the general availability of public funding is outside the control of the Exceet Group, it can provide no assurance that it will continue to benefit from such support, that sufficient alternative funding would be available if necessary or that any such alternative funding would be provided on terms as favorable to the Exceet Group as those it currently receives. In addition, if certain conditions are not met or certain events occur, the Exceet Group may have to repay the public subsidies that it has already received.

The application for and implementation of such subsidies often involves compliance with extensive regulatory requirements, including, in the case of subsidies to be granted within the European Union, notification to the European Commission of the contemplated grant prior to disbursement. In particular, establishment of compliance with project-related ceilings on aggregate subsidies defined under European Union law often involves highly complex economic evaluations. If the Exceet Group fails to meet applicable requirements, it may not be able to receive the relevant subsidies or may be obliged to repay current or future subsidies, which could have a material adverse effect on its business, financial condition and results of operations.

The terms of certain of the Exceet Group's subsidies impose conditions that may limit its flexibility to utilize subsidized facilities as the Exceet Group deems appropriate, to divert equipment to other facilities, to reduce employment at the relevant site, or to use related intellectual property outside the European Union. This could impair the Exceet Group's ability to operate its business in the manner it believes to be the most cost effective.

Any of these factors could have a material adverse effect on the competitive position, business, financial condition and results of operations of the Exceet Group.

The Exceet Group is exposed to risks associated with tax audits or changes in tax laws that may result in future tax liability.

As the Exceet Group operates at an international level, it is subject to tax in multiple national and foreign tax jurisdictions and exposed to a range of tax risks. The effective tax rate of the Exceet Group is based on an expected geographical mix of earnings, statutory rates, inter-company transfer pricing and applicable tax rules. Significant judgment is required in determining the effective tax rate and in evaluating the tax situation on an Exceet Group-wide basis.

Exceet Group AG and its subsidiaries are subject to routine tax audits by the respective local tax authorities. In light of the Exceet Group's diversified and international business activities along with executed reorganizations of the Exceet Group in the past, tax audits carried out by the tax authorities of Switzerland, Germany, Austria and other countries in which the Exceet Group operates or where it maintained operations in the past may challenge the positions that the Exceet Group has taken in its tax returns, which could have significant impact on its effective tax rate by increasing its taxable income and adverse effects on its liquidity, financial condition and the results of operations.

Changes in fiscal regulations or the interpretation of tax laws by the courts or the tax authorities in Switzerland, Germany, Austria or other jurisdictions in which the Exceet Group conducts its business may also adversely affect its business, financial condition and results of operations.

The internal control systems of the Exceet Group may fail to detect or prevent errors or collusive behavior.

The Exceet Group has established an internal control system designed to identify errors, operational and structural risks, monitor the compliance with legal requirements (including export restrictions) as well as to provide reasonable assurance regarding the reliability of its financial reporting. However, the Exceet Group comprises businesses acquired at different times, some of which acquisitions have been recent and have come to the Exceet Group with internal control legacy systems and the possibility cannot be excluded that the current control system will prove inadequate in practice or that gaps and defects in the system will be identified. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. In particular, there can be no guarantee that no errors, mistakes or faulty judgments in decision-making will occur and that controls will not be circumvented by the individual acts of some persons or the collusion of groups of persons. It is also not assured that the Exceet Group management will be able to further develop its control system in a manner commensurate with its planned future growth. This all could impair the ability of the Exceet Group to identify and manage risks, trends and errors and may adversely affect its business, financial condition and results of operations.

Furthermore, the internal control system cannot prevent violations of law (including breaches of export restrictions) by third parties. For example, the customers could sell their dual-use products, which contain components of the Exceet Group, to countries under a national or international embargo. As a consequence, and although the Exceet Group would not be involved in or responsible for such activities, the Exceet Group could be subjected to investigations by and trade restrictions of national and international authorities, which would adversely affect its business, financial condition and results of operations.

Order intake and backlog are not necessarily indicative of future earnings and the Exceet Group regularly does not enter into long-term contracts obliging its customers to order specific purchase quantities.

As lead times for new orders vary significantly (they can be up to two years), depending on the individual requirements of its customers and the requested product specifications, order intake and order backlog may not always be precise indicators of the Exceet Group's future sales and margins. Furthermore, larger parts of its customer contracts do not provide for specific purchase quantities to be ordered by its customers, and the Exceet Group also provides its products based on single contracts or purchase orders covering individual small-scale projects. There is no guarantee that customers, who have concluded single contracts or framework agreements which do not provide for specific purchase quantities and who have placed a constant number of orders with the Exceet Group in the past, will do so in the future projects. Consequently, single contracts and purchase orders reflected in the Exceet Group's order intake and backlog, are not necessarily indicative of future earnings. In addition, cancellations, delays or scope adjustments occur from time to time with respect to contracts reflected in the Exceet Group's backlog. If the Exceet Group was to experience significant cancellations, delays or scope adjustments in its backlog contracts, it would also experience an underutilization of its capacities. Each of the above factors could have a material adverse effect on its business, financial condition and results of operations.

The Exceet Group may be exposed to a risk of inventory obsolescence.

Some of the supply agreements of the Exceet Group require its suppliers to warehouse for the Exceet Group specified amounts of products, components and raw materials. In case of a termination of such supply contracts, the Exceet Group is obliged to purchase the items which are stored for it by its suppliers. With regard to these items as well as the Exceet Group's own inventory it may be exposed to a risk of inventory obsolescence because of rapidly changing technology and customer requirements. Inventory obsolescence may require the Exceet Group to make adjustments to write down its inventory to the lower of cost or net realizable value, and the operating results of the Exceet Group could be adversely affected.

Risks Related to the Transaction

Completion of the Transaction is subject to a number of conditions.

The obligations of the parties to the Share Purchase Agreement to consummate the Transaction are subject to the satisfaction or waiver of specified conditions set forth in the Share Purchase Agreement. These conditions include, among others:

- Approval of the Shareholder Proposals and the Warrant Amendment Proposal;
- Valid tenders for redemption of less than 35% of the Public Shares (excluding Public Shares purchased under the Founders Purchase Option);
- Cash contribution to be made to Exceet Group AG amounts to at least €15 million;
- Receipt of the statutory valuation report required for the issuance of the new Public Shares and Earnout Shares to the Sellers in exchange for shares of Exceet Group AG;
- Receipt of merger control clearance or approval in Germany; and
- Absence of a material adverse effect involving the Exceet Group.

If more than 25.5% of the Public Shares are validly tendered for redemption, the €15 million capital contribution condition will be satisfied only if the Wendel Shareholder exercises the Founders' Purchase Option in a sufficient amount. The Wendel Shareholder is under no obligation to exercise this option. If it does not exercise the option in that scenario, the Transaction will not close unless the Sellers and the Company jointly waive the condition.

Certain of these conditions, such as the valid tenders for redemption of less than 35% of the Public Shares, and the Approval of the Shareholder Proposals and the Warrant Amendment Proposal are not waivable by the parties to the Share Purchase Agreement. If any of the conditions is not satisfied or waived (if waivable), the Transaction may not be consummated.

No assurance can be given that the due diligence investigation of the Exceet Group has identified all issues potentially relevant to the determination of the consideration to be paid for the Exceet Group AG shares.

In order to determine its estimate of the value of the Exceet Group (and thus the agreed purchase price for the Exceet Group AG shares to be acquired by Helikos AG from the Sellers), the Company conducted a due diligence investigation. The Company cannot assure you that the due diligence investigation it has conducted on the Exceet Group has identified all material issues or liabilities related to the Exceet Group, or that factors outside of the control of the Exceet Group and outside of the Combined Group will not later arise. If the Company's due diligence investigation has failed to identify issues specific to the Exceet Group and the industry or environment in which the Exceet Group operates, the consideration paid for the Exceet Group AG shares in the Transaction may not adequately reflect such factors, which could lead to impairment or other charges in future periods. Even if such charges are non-cash items and have no immediate impact on the Combined Group's liquidity, the fact that the Combined Group reports charges of this nature could contribute to negative market perceptions of the Combined Group or otherwise adversely affect the trading price of the Public Shares or Public Warrants.

The Share Purchase Agreement contains representations and warranties that are limited in scope and duration, and does not include an adjustment of the purchase price for changes in net debt or other financial items.

In the Share Purchase Agreement, each of the Sellers has severally made representations and warranties to Helikos AG and the Company relating to the information regarding such Seller in this proxy statement, such

Seller's power and authorization to enter into the Share Purchase Agreement, the validity and enforceability of the Share Purchase Agreement, the absence of litigation that would challenge, prevent or frustrate the Seller's ability to consummate the Transaction, such Seller's title to the Exceet Group AG shares sold by it and the absence of certain actions by Exceet Group AG since April 1, 2011 that would require approval of the Exceet Group AG shareholders. The Sellers have not made any representations and warranties to the Company or Helikos AG in the Share Purchase Agreement regarding the business of the Exceet Group or the adequacy of the disclosure relating to the Exceet Group in this proxy statement. The Share Purchase Agreement limits the aggregate maximum liability of each Seller for a breach of its representations and warranties to the value of the consideration paid to the Seller under the Share Purchase Agreement for the Exceet Group AG shares sold to it. The Share Purchase Agreement further provides that claims for a breach of its representations and warranties against the Sellers will become time-barred within five years of the Consummation Date of the Transaction. These provisions of the Share Purchase Agreement will limit the ability of the Company to recover damages from the Sellers for breaches of their representations and warranties in the Share Purchase Agreement. The Share Purchase Agreement also does not contain a provision that would adjust the amount of consideration paid for changes in the net debt position of the Exceet Group subsequent to March 31, 2011. Accordingly, to the extent there is an increase in net debt, the purchase consideration paid will not be reduced to account for the potential reduction in the value of the Exceet Group.

In reaching the conclusion that the 80% Threshold has been satisfied, the Board of Directors relied upon a valuation of the Exceet Group performed by the Company's management rather than a valuation from an independent investment banking firm.

Pursuant to the Articles, a Business Combination such as the Transaction can only proceed if the Company's Board of Directors determines that the acquired business or company has, on the date the Board of Directors resolves to submit such transaction to the Company's Shareholders for approval, a fair market value of at least 80% of the balance then in the Escrow Account, after deducting deferred underwriting discounts and commissions (the "80% Threshold").

The Company's Board of Directors has determined that the acquisition of the Exceet Group meets the 80% Threshold. In reaching this determination, it did not obtain an opinion from an unaffiliated third party that the Exceet Group meets the 80% Threshold or that the price to be paid under the Share Purchase Agreement is fair to the Company's Shareholders. The Board of Directors determined not to obtain such an opinion because of (i) the Company's internal ability to value the business in consultation with its financial advisors; (ii) its general exercise of business judgment and (iii) its knowledge that the valuation of the proposed Transaction would be tested by the market and Shareholders would be able to veto the Transaction if they did not consider it to be fair. The Board of Directors and the Company's management did not undertake the same kind of in depth analysis that a financial advisor might have taken in the rendering of a fairness opinion or formal valuation. The determination of the fair value of a business involves the consideration of a wide range of factors, including the subjective opinion of the Board of Directors. Assumptions on which the valuation was based may prove incorrect, and the views of the Board of Directors and the Company's management may have been affected by the personal and financial interests such parties have in the successful consummation of the Transaction.

Redemptions of Public Shares in connection with the Transaction will reduce the amount of funds available to the Combined Group following the Transaction.

If the Transaction is consummated, the Company will be required to redeem Public Shares that have been validly tendered for redemption (other than Public Shares as to which the Founders Purchase Option has been exercised), up to a maximum of 35% of the Public Shares minus one Public Share. Under the Share Purchase Agreement, the amount of the required capital contribution by the Company to the reserves of Exceet Group AG will be reduced by redemption payments made to Public Shareholders. Under the Share Purchase Agreement a capital contribution in a minimum amount of €15 million is a closing condition. If more than approximately 25.5% of the outstanding Public Shares are validly tendered for redemption, this closing condition will not be satisfied unless the Wendel Shareholder elects to exercise the Founders' Purchase Option in a sufficient amount (which it is not obligated to do).

No assurance can be given that the Combined Group will have any specified minimum level of cash following consummation of the Transaction. Expenses incurred by both the Company and Exceet Group AG in connection with the negotiation, documentation and execution of the Transaction will reduce the working capital of the Combined Group. For example, in addition to the payments in respect of redemptions of Public Shares the Company's working capital will be reduced by additional payments required at or shortly after the closing of the Transaction, including payments by the Company to its financial, accounting and legal advisors. As a result of

these payments, in the event of significant redemptions of Public Shares, there is a significant likelihood that there will be no funds remaining from the Escrow Account to fund the Combined Group's business beyond the required minimum capital contribution of €15 million. Reductions in the amount of cash available to the Combined Group may require the Combined Group to access other sources of liquidity, including cash flow from operations and the Exceet Group's credit facility.

Following the Transaction, the Founders and Sellers will together control more than a majority of the outstanding Shares of the Company, and their interests may be different from yours.

The Founders and the Sellers have entered into a Shareholders Agreement with respect to their shareholdings in the Company. If the Transaction is consummated, assuming no redemption of Public Shares or purchases under the Founders Purchase Option, the Founders and the Sellers will collectively hold shares accounting for approximately 52.7% of the outstanding voting shares of the Company. If 35% of the outstanding Public Shares minus one Public Share are validly submitted for redemption in connection with the Transaction and a sufficient number of Public Shares are purchased under the Founders' Purchase Option to meet the €15 million minimum capital contribution, the aggregate shareholding of the Founders and the Sellers will reach 66.6% of the outstanding voting shares of the Company. This level of shareholding will enable the Founders and the Sellers to control the outcome of any matters requiring a simple majority vote of Shareholders, including the election of Directors, and will give them significant influence or control over the outcome of matters requiring a 2/3 majority vote. This concentration of ownership also could have the effect of delaying or preventing a change in control of the Company or discouraging a potential acquirer from attempting to obtain control of the Company, which in turn could have a material adverse effect on the market price of the Public Shares or prevent the Company's Shareholders from realizing a premium over the market price for their Public Shares. The interests of the Founders and the Sellers may be different from those of other Shareholders.

The eventuality of the shareholders of a potential acquisition target ultimately controlling the Company following the consummation of a Business Combination was contemplated in the Company's IPO prospectus. Although following the Transaction, the Founders and the Sellers are expected together to control more than a majority of the outstanding Shares and related voting rights of the Company, they do not intend to launch a mandatory public offer for the remaining Shares of the Company because they are expecting to be granted an exemption from the obligation to launch a mandatory takeover bid pursuant to Article 4(5) of the Takeover Law.

Holders that wish to tender their Public Shares for redemption must comply with the redemption procedures and deadlines set forth in the Company's Articles.

If you are a holder of Public Shares and wish to exercise your redemption rights, you must do **all of the following on or prior to June 17, 2011:**

- (i) notify the Company of your intention to vote all or part of your Public Shares against the Business Combination Proposal and request redemption of such Public Shares in writing by completing a redemption notice in the form attached to this proxy statement as Annex VI and returning it to the Centralizing Agent;
- (ii) cause the Public Shares you wish to redeem to be transferred to the blocked account specified by the Centralizing Agent for this purpose in the Convening Notice;
- (iii) grant a proxy to any of the Class C Directors of the Company, instructing that such Public Shares shall be voted against the Shareholder Proposals, unless and to the extent the Founders deliver a notice exercising their rights under the Founders' Purchase Option in respect of such Public Shares to the Company on or prior to the Business Day immediately prior to the record date for the EGM, in which case the Public Shares shall be voted in favor of the Shareholder Proposals; and
- (iv) grant the Wendel Shareholder, the entity through which Wendel holds its Shares in the Company, an option in the form set forth in Annex VI to this proxy statement, which is referred to as the Founders' Purchase Option, to purchase all or a portion of the Public Shares you intend to vote against the Shareholder Proposals, exercisable at any time on or prior to the Business Day immediately preceding the record date for the EGM at a purchase price per Public Share of €10.05625.

Public Shares that are not tendered for redemption in accordance with the above procedures prior to the deadline will not be eligible for redemption by the Company in accordance with its Articles or purchase pursuant to the Founders Purchase Option.

As the Sellers and/or Founders will not launch a mandatory takeover bid for the Shares, the redemption rights set out in this section constitute the only occasion for dissenting Shareholders to benefit of a right to have

their Shares repurchased either if they do not agree with the Business Combination proposal or the acquisition of control as set out in this risk factor. If they do not make use of this right, the only way to sell the Shares will be to offer the Shares for sale on the market.

The Company's directors have interests in the Transaction that differ from yours.

When you consider the recommendation of the Company's Board of Directors to vote in favor of approval of the Shareholder Proposals and the Warrant Amendment Proposal, you should keep in mind that the Company's Directors and officers have interests in the Transaction that are different from, or in addition to, your interests as a Shareholder or warrantholder. These interests include, among other things:

- If the Company is unable to complete the Transaction or fails to complete an initial Business Combination by August 4, 2012, the Company's Articles require the Board of Directors to submit a proposal to an Extraordinary Meeting of Shareholders to liquidate the Company. In such event:
 - the 6,315,790 Founding Shares that were acquired before the IPO for an aggregate purchase price of €96,000 would be worthless because the Company's Founders are not entitled to receive any of the proceeds of the Company's Escrow Account with respect to such Founding Shares; and
 - The 10,000,000 Founding Warrants acquired by the Founders for an aggregate purchase price of €10 million would expire worthless.
- The Founders, including the Company's Directors Roland Lienau and Prof. Hermann Simon, hold in the aggregate 6,315,790 Founding Shares, 2,105,264 of which will convert into Public Shares upon the consummation of the Transaction.
- The Company has agreed to redeem the Founding Warrants upon consummation of the Transaction and to issue 1 million new Founding Shares to the Founders, subject to Shareholder approval, that will convert into 1 million Public Shares based on a Daily VWAP threshold of €12 per Public Share.
- The Wendel Shareholder holds 1,350,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant it holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.
- It is anticipated that Dirk-Jan van Ommeren and Roland Lienau will continue to serve as directors of the Company, and Prof. Hermann Simon will be appointed as a member of the proposed Advisory Board of the Company.
- The Company's Director, Dr. Jürgen Heraeus owns 15,000 Public Shares and 15,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant he holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.

These personal and financial interests may influence the Company's Directors in determining whether the terms and conditions of the Transaction are appropriate and in the Company's Shareholders' best interest and in making their recommendation that you vote in favor of the approval of the Warrant Amendment Proposal and/or the Shareholder Proposals, as the case may be.

The Combined Group may need to recognize impairment losses with respect to the goodwill it acquires in the Transaction.

As a result of the consummation of the Transaction, the Company is expected to book substantial goodwill through accounting for the acquisition. Under current accounting standards, the Combined Group will be required to test its goodwill for impairment on at least an annual basis. Factors such as lower sales or lower net cash flows from the Exceet Group businesses than expected, as well as changes in discount rates could require the Combined Group to record significant impairment charges in the future, which would have a material adverse effect on its financial condition and results of operations.

The price of the Company's securities will be subject to market factors, and your investment in the Company's securities could decline in value.

Since the Company's IPO, its trading volumes have been low, and following the Transaction, an active trading market in the Company's securities may not develop or be adequately maintained. In addition, the overall market for securities in recent years has experienced extreme price and volume fluctuations that have particularly affected the market prices of many small and medium-sized companies. These fluctuations have been extremely volatile and are often unrelated or disproportionate to the operating performance of these companies. These market fluctuations and other factors could result in extreme fluctuations in the price of the Company's securities, which could cause a decline in the value of those securities.

Activities taken by the Company, Exceet Group AG or their affiliates or others to increase the likelihood of approval of the Transaction may have an adverse impact on the trading price of the Public Shares or Public Warrants.

In order to increase the likelihood that the Transaction will be approved, the Wendel Shareholder may exercise the Founders Purchase Option to purchase all or a portion of the Public Shares validly tendered for redemption. To the extent additional Public Shares are acquired by the Wendel Shareholder pursuant to the Founders Purchase Option or otherwise, it will reduce the public float of the Public Shares, which could adversely affect their liquidity and trading price. Purchases of outstanding Public Shares by other affiliates of the Company or of Exceet Group AG could have a similar effect.

The Company may waive one or more of the conditions to the closing of the Transaction without resoliciting Shareholder or warrant holder approval for the Transaction.

The Company may agree to waive, in whole or in part, some of the conditions to the closing of the Transaction. If the Board of Directors determines that the waiver of a condition is not sufficiently material to warrant resolicitation of approvals from the Shareholders or warrant holders, it has the discretion to consummate the Transaction without seeking further approval from Shareholders or warrant holders.

The sale or availability for sale of substantial amounts of Public Shares and Public Warrants could cause the price of the Public Shares or Public Warrants to decline.

Upon the consummation of the Transaction, the Wendel Shareholder and the individual Founders (Prof. Hermann Simon and Mr. Roland Lienau) will be subject to a post-Consummation Date lock-up period of 18 months, subject to certain exceptions, with respect to the 2,105,264 Public Shares they are to receive upon the conversion of their Class B1 Founding Shares on the Consummation Date. In addition, the Wendel Shareholder holds 1,350,000 Public Shares which are not the subject of any lock-up and may acquire additional Public Shares pursuant to the Founders Purchase Option that will not be subject to lock up restrictions. Following the Transaction the Founders together also will own 5,210,526 remaining Founding Shares convertible into Public Shares. Following the Transaction, Ventizz and the other Sellers will collectively own 3,069,736 Public Shares and 9,000,000 Earnout Shares convertible into Public Shares. The Public Shares held by Ventizz are subject to a six-month lock-up period and the Public Shares held by the other Sellers are subject to a 12-month lock-up period, in each case for the period starting on the Consummation Date, subject to a carve-out for transfers to their respective affiliates during such time. In addition, Ventizz may distribute its Public Shares and Earnout Shares to its fund investors as a distribution in kind following the second anniversary of the Consummation Date.

The sale of these securities or their availability for future sale may adversely affect the market price of such securities or impair the ability of the Company to raise additional funds through offerings of Public Shares or Public Warrants.

The Company intends to implement a management incentive program, which may adversely impact the net income of the Company and dilute the current Shareholders.

In order to enhance the commitment of the Company's key personnel after completion of the Transaction, the Company intends to establish a management incentive program for the Directors and members of the management team. Although no specific terms of such program have been established, a program could comprise options, Public Share appreciation, Public Share purchase, phantom Public Shares or other equity-based benefits. Expenses associated with such Share-based compensation may materially adversely affect the net income of the Company and dilute the Company's current Shareholders. To the extent that Public Shares are granted under a management incentive program or options are exercised thereunder, additional Public Shares of the Company would be issued, resulting in the dilution of the Company's Shareholders and increasing the number of Public Shares eligible for re-sale in the public market. Sales of substantial numbers of such Public Shares in the public market could materially adversely affect the market price of the Company's Public Shares.

The Company does not have any operations and Exceet Group AG has never operated as a public company. Fulfilling the ongoing obligations as a public company after the Transaction will be expensive and time consuming.

Exceet Group AG, as a private company, has not been required to prepare or file periodic and other reports with the CSSF under applicable securities laws of Luxembourg and under the applicable listing requirements of the Frankfurt Stock Exchange. Although it has already gathered experience with the applicable disclosure

requirements for listed companies, the Company has not undertaken any business operations. It will therefore be necessary to establish and maintain additional controls and procedures in order to comply with the securities laws of Luxembourg and Germany and applicable stock exchange rules with respect to the activities of the Combined Group. Compliance with these obligations may absorb significant time and resources of the Board of Directors and the management team and its finance, legal, and accounting staff and may significantly increase its legal, insurance and financial compliance costs. As a result of the increased costs associated with being a public company after the Transaction, the profitability of the Combined Group may be adversely affected.

Exceet Group AG may be subject to Swiss withholding tax (Verrechnungssteuer) when making distributions to Helikos AG

Distributions by Exceet Group AG to Helikos AG out of reserves existing at the time of consummation of the Transaction, which are not so-called capital contribution reserves, may be subject in whole or in part to non-refundable Swiss withholding tax (35%) on the basis of the so-called “old reserve theory” (Old Reserves). Exceet Group AG’s Old Reserves as of December 31, 2010 are CHF 7.92 million and the latent Swiss federal withholding tax thereon is CHF 2.77 million.

Pursuant to the old reserve theory, the distribution of Old Reserves may attract Swiss withholding tax, unless Exceet Group AG or Helikos AG will be able to demonstrate to the Swiss federal tax administration that retaining of the Old Reserves had been required for the business of Exceet Group AG or Swiss federal withholding tax on the Old Reserves would have been refundable in whole or in part if distributed to shareholders of Exceet Group AG prior to consummation of the Transaction.

We believe that such reasons exist. However, it cannot be excluded that the Swiss federal tax administration assesses the situation differently. In such a case, to the extent Exceet Group AG or Helikos AG will not be able to demonstrate either the business requirement or refundability in whole or in part, the latent withholding tax will become payable by Exceet Group AG at the time of distribution of the Old Reserves.

Risks Related to the Company in the Event of a Failure to Consummate the Transaction

If the Transaction is not consummated, the Helikos Group may not have sufficient remaining working capital to identify, negotiate, document and propose another Business Combination.

The Company expects to use substantially all of the remaining balance of its initial working capital allowance and subsequent interest distributions in connection with the negotiation, structuring and preparation of the Transaction. If the Transaction is not approved, the Helikos Group is unlikely to have sufficient remaining funds outside the Escrow Account to permit it to seek, structure and propose another Business Combination. Moreover, it is possible that the amounts owed to its service providers as a result of preparation for the Transaction may exceed the amount remaining outside the Escrow Account. If the Transaction is not approved, the Helikos Group’s remaining funds outside the Escrow Account may not be sufficient to allow it to maintain its operations until an alternative Business Combination is found and consummated, there can be no assurance that the Company will complete a Business Combination on or prior to August 4, 2012, and the Company may be unable to continue as a going concern or meet its obligations unless it can secure additional funding for its working capital requirements. If the Company is unable to consummate a Business Combination before August 4, 2012, it will be required to liquidate. The Company’s Articles do not require the Board of Directors to propose the liquidation of the Company prior to the August 4, 2012 deadline, and no assurance can be given that it will make such a proposal prior to that deadline. You will receive no liquidation proceeds unless and until the Company is placed into liquidation.

If the Company liquidates before concluding a Business Combination, Public Shareholders may receive less than €10.05625 per Public Share on distribution of Escrow Account funds, and all the outstanding Public Warrants will expire worthless.

If the Company is unable to consummate a Business Combination before the August 4, 2012 deadline and must liquidate its assets, the per-Public Share liquidating distribution may be less than €10.05625 (the initial per-share balance of the Escrow Account). If the Company incurs expenses that are greater than its initial working capital allowance and subsequent distributions of interest from the Escrow Account, and such additional expenses are not approved and funded by the Wendel Shareholder, or if the Company becomes subject to other third party claims that can be satisfied from the Escrow Account (as discussed further below), then the per-Public Share liquidation price may be lower than this amount. At the date of this proxy statement, the Company believes

that accrued payables to service providers may exceed the amount remaining outside the Escrow Account. In a liquidation, such amounts would reduce the per-Public Share liquidation amount. The Company's outstanding Public Warrants are not entitled to participate in a liquidating distribution and the Public Warrants will therefore expire worthless if the Company dissolves and is liquidated before completing a Business Combination.

If the Company does not consummate a Business Combination and dissolves, payments from the Escrow Account to Public Shareholders may be delayed.

If the Company does not consummate a Business Combination prior to August 4, 2012, its activities after that date will be limited to activities relating to the liquidation of its assets and its winding up. The liquidation of the Company and Helikos KG may take a significant amount of time, particularly if there are significant taxes or other expenses for which reserves must be established, or if there are claims against the Company. As a result, payments to be made to Public Shareholders from the Escrow Account may be delayed.

If third parties bring claims against the Company, the proceeds held in the Escrow Account may be reduced and the per Public Share liquidation price received by you will be less than €10.05625 per Public Share.

Although the Company placed substantially all of its cash resources following the IPO in the Escrow Account, this may not protect those funds from third party claims. There is no guarantee that any businesses with whom the Company deals will execute agreements with the Company waiving any right, title, interest or claim of any kind in or to any monies held in the Escrow Account, or if executed, that this will prevent such parties from making claims against the Escrow Account. The Company has incurred obligations to pay fees and expenses to a number of service providers that have not signed such waivers. The Company also may be subject to claims from tax authorities or other public bodies that will not agree to limit their recourse against funds held in the Escrow Account. If the expenses of the Company exceed the working capital allowance and interest disbursements from the Escrow Account it will not be possible to satisfy the claims of the Company's creditors from funds outside the Escrow Account. Accordingly, the proceeds held in the Escrow Account may be subject to claims which would take priority over the claims of the Company's Public Shareholders upon liquidation and, as a result, the per-Public Share liquidation amount could be less than €10.05625 due to the claims of such creditors.

In any insolvency or liquidation proceeding involving the Company, the funds held in the Escrow Account will be subject to applicable insolvency and liquidation law, and may be included in the Company's estate and subject to claims of third parties with priority over the claims of the Company's Public Shareholders. In addition, funds in the Escrow Account will be exposed to the credit risk of the bank at which the Escrow Account is established and to the risk of a decline or loss in value of the investments in which the Escrow Account is invested (whether resulting from credit risk of the issuing institutions or otherwise). To the extent such claims deplete the Escrow Account or a bank credit event occurs, you may receive a per-Public Share liquidation amount that is less than €10.05625.

If the Transaction is not approved and the Company continues to seek a Business Combination, any future Business Combination the Company may propose may involve important risks.

If the Company does not consummate the Transaction and continues to seek an alternative Business Combination, any alternative Business Combination may involve important potential risks, including the following:

- Potential risks relating to the fact that the Company's initial Business Combination could be in any industry and could have characteristics that are different from the target characteristics set forth in the Company's IPO prospectus;
- Potential risks relating to the Company's search for a Business Combination, including the risk that the Company may not be able to identify a target business and consummate a Business Combination before the August 4, 2012 deadline, the risk that the Company may fail to properly value a target business and its liabilities, the risk that competing bidders could emerge for targets pursued by the Company, the risk that the Company's structure could put it at a disadvantage relative to such competing bidders and the risk that operating businesses within the Wendel Group could compete with the Company for acquisitions in Germany;
- Potential risks relating to the structuring of a Business Combination, including the possibility that the Company will acquire less than 100% of a target business, the risk that Luxembourg mandatory takeover bid requirements could apply to the Business Combination, risks relating to the issuance of additional shares or entry into financing arrangements, the risk that resources may be expended on potential Business Combinations that are not approved;

- Potential risks relating to the Company’s capital structure, including potential dilution resulting from the Founding Shares, Public Warrants and Founding Warrants, which could adversely affect the attractiveness of the Company to potential target businesses or adversely affect the market price of the Company’s Public Shares and Public Warrants; and
- Potential risks relating to reliance on management and the potential for conflicts of interest in identifying and evaluating potential Business Combinations.

Risks for Public Shareholders and Warrantholders in the United States

Because the Company and Exceet Group AG are incorporated and hold substantially all of their assets outside the United States, you may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts or other forums may be limited.

Each of the Company and Exceet Group AG is incorporated outside the United States, and holds substantially all of its assets outside the United States. The Escrow Account is also located outside the United States. In addition, all of the current Directors of the Company and each of the Directors proposed for election are nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon the Company or its Directors, or enforce judgments obtained in the United States against the Company or its Directors. The rights of the Company’s Shareholders and the fiduciary responsibilities of the Company’s Directors under Luxembourg law may not be the same as they would be under statutes or judicial precedent in some jurisdictions in the United States. In addition, shareholders of Luxembourg companies may not have standing to initiate a shareholder derivative action in a court in Luxembourg or in a federal court of the United States or elsewhere.

The Company may be a Passive Foreign Investment Company, which could have adverse U.S. federal income tax consequences to U.S. holders of the Public Shares or Public Warrants.

If the Company is classified as a passive foreign investment company, known as a “PFIC,” U.S. holders of Public Shares or Public Warrants could be subject to adverse U.S. federal income tax consequences as a result of the Transaction and the Warrant Amendment Proposal. Specifically, if the Company is classified as a PFIC for any taxable year, each U.S. holder may be subject to increased tax liabilities as a result of the Transaction and the Warrant Amendment Proposal and may be subject to additional reporting requirements. In general, any gain on disposition of our Public Shares or Public Warrants and any “excess distribution” received by a U.S. holder would be deemed to have been earned ratably over the period such holder owns our Public Shares or Public Warrants, would be taxed at ordinary income tax rates, and would be subject to an interest charge for the deemed deferral in payment of the tax.

In general, the Company will be classified as a PFIC for any taxable year in which either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value (determined on the basis of a quarterly average) of its assets is attributable to assets that produce or are held for the production of passive income. If a corporation would otherwise be a PFIC in its start-up year (defined as the first taxable year such corporation earns gross income), it is not treated as a PFIC in that taxable year, provided that: (i) no predecessor corporation was a PFIC; (ii) it is established to the Internal Revenue Service’s satisfaction that the corporation will not be a PFIC in either of the two succeeding taxable years; and (iii) the corporation is not, in fact, a PFIC for either succeeding taxable year. Upon completion of the Transaction, the Company does not expect to be a PFIC for future taxable years because it will have substantial operating income and assets. However, because the Transaction will occur during the Company’s second taxable year, and because the asset test described above is determined based on the average value of its assets held during each quarter of the taxable year, it is currently impossible to predict whether the Company would qualify for the start-up year exception.

Certain elections may sometimes be used to reduce the adverse impact of the PFIC rules. However, these elections may not be available with respect to the Public Warrants.

The Company may or may not be treated as a PFIC for U.S. federal income tax purposes. U.S. investors are urged to consult their own tax advisers regarding the possible application of the PFIC rules, especially the potentially adverse consequences to holders of Public Warrants, as well as to holders of shares in the event they have not made a “qualified electing fund” (“QEF”) election. See “*Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.*”

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

This proxy statement contains “forward-looking statements”. These forward-looking statements include, but are not limited to, statements regarding the Company’s, its Directors’ and the Exceet Group’s management’s current expectations, beliefs, intentions or strategies regarding the future. In addition, any statement that refers to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipates,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “aim,” “will,” “should,” “would” or, in each case, their negative, and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Other forward-looking statements can be identified in the context in which the statements are made.

Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. These risks and uncertainties are described in, but are not limited to, the information under the headings “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group*”, and “*Business of the Exceet Group*”.

The Company’s actual results may differ materially from those contemplated by forward-looking statements. The Company therefore cautions you that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, the Company can give no assurances that they will materialize or prove to be correct. Because these statements involve risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of the matters discussed under “*Risk Factors*” as well as, among others:

- changes in general and local economic, political, business, industry and tax conditions, in particular economic conditions in the Exceet Group’s core markets;
- changes in the markets in which the Exceet Group operates;
- changes in underlying consumer behavior;
- changes in technology;
- consolidation in the industries relevant for the Exceet Group;
- the inability of the Company to successfully develop and expand the range of products and services offered;
- the ability of the Company to retain or replace key personnel;
- changes in the Company’s business strategy, development and investment plans; and
- the results of future financing efforts.

Any forward-looking statement made by the Company in this proxy statement speaks only as of the date hereof and is expressly qualified in its entirety by these cautionary statements. Factors or events that could cause the Company or the Exceet Group’s actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. Subject to any applicable rules or regulations, the Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods and dates indicated, the high, low, average and period end exchange rates between the euro and Swiss franc as reported by the European Central Bank expressed as Swiss franc per €1.00. These rates may differ from actual rates used in the preparation of its consolidated financial statements and other financial information appearing in this Prospectus. The Company makes no representation that the euro or Swiss franc amounts referred to in this Prospectus have been, could have been or could, in the future, be converted into Swiss francs or euros, as the case may be, at any particular rate, if at all. On June 6, 2011, the exchange rate between the euro and Swiss franc as reported by the European Central Bank was CHF 1.2235 to €1.00.

	Swiss franc per one euro			
	Period End(1)	Average Rate(2)	High	Low
Year				
2008	1.4850	1.5874	1.6529	1.4438
2009	1.4836	1.5100	1.5421	1.4667
2010	1.2504	1.3803	1.4873	1.2475
2011 (through to June 6, 2011)	1.2235	1.2798	1.3163	1.2167
Month				
January 2011	1.2891	1.2779	1.3013	1.2459
February 2011	1.2840	1.2974	1.3163	1.2748
March 2011	1.3005	1.2867	1.3005	1.2625
April 2011	1.2867	1.2977	1.3163	1.2821
May 2011	1.2275	1.2537	1.2856	1.2147
June 2011 (through June 6, 2011)	1.2235	1.2195	1.2235	1.2167

- (1) Represents the exchange rate on the last business day of the applicable period.
- (2) With respect to each year, the average represents the average of the noon buying rates on the last business day of each month during such year. With respect to each month, the average represents the average of the noon buying rates for each business day during the relevant month. With respect to the periods from January 1 through June 6, 2011 and from June 1 through June 6, 2011, respectively, the average represents the average of the rates for each business day during such period.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS AND SPECIAL MEETING OF WARRANTHOLDERS

General

The Company is furnishing this proxy statement to its Shareholders and warrantholders as part of the solicitation of proxies by its Board of Directors for use at the Extraordinary General Meeting of Shareholders and the Special Meeting of Warrantholders, each to be held on July 1, 2011, and at any adjournment or postponement thereof. This proxy statement provides you with information you need to know to be able to vote or instruct your vote to be cast at the Extraordinary General Meeting of Shareholders and the Special Meeting of Warrantholders.

Date, Time and Place

The Extraordinary General Meeting of Shareholders will be held at Hotel Le Royal, 12 boulevard Royal, L-2449 Luxembourg, at 12:00 p.m. (noon) CEST, on July 1, 2011 or such other date, time and place to which such meeting may be adjourned or postponed. The Special Meeting of Warrantholders will be held at the same location at 11:00 a.m. CEST, on July 1, 2011, or such other date, time and place to which such meeting may be adjourned or postponed.

Purpose of the Special Meeting of Warrantholders

At the Special Meeting of Warrantholders, the Company will ask holders of its Public Warrants to consider and approve the amendment of the terms and conditions of the Public Warrants on the terms set forth in the Amended and Restated Terms and Conditions of the Public Warrants set forth as Annex III hereto. If the Shareholder Proposals are not approved, or the Consummation does not occur for any other reason, the Warrant Amendment Proposal will not be implemented.

Purpose of the Extraordinary General Meeting of Shareholders

The Company has established the following agenda for the Extraordinary General Meeting of Shareholders. If the Warrant Amendment Proposal is not approved at the Special Meeting of Warrantholders, agenda items 2 through 9 will not be presented for approval.

1. Acknowledgement of the meeting of holders of Public Warrants and presentation of the result;
2. Presentation and approval of the proposed initial Business Combination conditional upon the approval of items 3 to 9 of the agenda and on the approval of the Warrant Amendment Proposal;
3. Change of the name of the Company into “exceet Group SE” conditional upon the approval of items 2 and 4 to 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the date of the closing of the Transaction (the “Consummation”, and such date, the “Consummation Date”);
4. Creation of new classes of Shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon the approval of items 2 to 3 and 5 to 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date;
5. Amendment and determination of the rights of Founding Shares, resolution that the Founding Shares shall conditionally convert into Public Shares and determination of the conditions of conversion, conditional upon the approval of items 2 to 4 and 6 to 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date;
6. Acknowledgement of the supplementary special report of the Board of Directors, renewal of the authorized capital and the authorization period. During the period of five years from the publication of the resolutions of the Extraordinary Meeting of Shareholders, the Board of Directors is authorized to issue Public Shares and/or Founding Shares and/or Earnout Shares, to grant options to subscribe for Shares and to issue any other instruments convertible into Shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued conditional upon the approval of items 2 to 5 and 7 to 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date;
7. Amendment and full restatement of the Articles of the Company conditional upon the approval of items 2 to 6 and 8 to 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date;

8. Determination of the number of Directors, acknowledgment of the resignation of Directors, granting of discharge to such Directors and appointment of new Directors, conditional upon the approval of items 2 to 7 and 9 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date;
9. Granting of a proxy to the Board of Directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the Shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the Articles, conditional upon the approval of items 2 to 8 of the agenda and on the approval of the Warrant Amendment Proposal and with effect as of the Consummation Date.

Recommendation of the Company's Board of Directors

The Board of Directors of the Company has unanimously approved the Share Purchase Agreement and the Transaction and recommends that Shareholders vote or give instruction to vote "FOR" each of the Shareholder Proposals to be presented at the Extraordinary General Meeting of Shareholders and recommends that the warrant holders approve or give instruction to approve the Warrant Amendment Proposal to be presented at the Special Meeting of Warrant holders

Record Date; Who is Entitled to Vote

You will be entitled to vote or direct votes to be cast at the Extraordinary General Meeting if you owned Shares at 6:00 p.m. CEST on June 22, 2011 which the Board of Directors has fixed as the record date for the Extraordinary General Meeting.

You will be entitled to vote or direct votes to be cast at the Special Meeting of Warrant holders if you owned Public Warrants on the day of the Special Meeting of Warrant holders.

The Company's issued share capital consists of 20,000,000 Public Shares and 6,315,790 Founding Shares. Holders of Public Shares and Founding Shares are entitled to cast one vote at the Extraordinary Shareholders' meeting for each Share held at the close of business on the record date. There are 20,000,000 Public Warrants outstanding. Warrant holders are entitled to cast one vote at the Special Meeting for each Public Warrant on the day of the Special Meeting of Warrant holders.

Quorum and Vote for Shareholder Proposals

The following table summarizes the quorum requirements and votes required to approve each of the Shareholder Proposals being presented at the Extraordinary General Meeting of Shareholders, and at a second EGM called if the quorum requirements are not met in the first convened EGM. Please note that, given that the approval of each Shareholder Proposal is conditioned upon the approval of the other Shareholder Proposals, each of the quorum requirements listed below must be satisfied to permit deliberation on the Transaction as a whole, and each Shareholder Proposal must receive the requisite approval for any of the other Shareholder Proposals to have effect.

Proposal	Required Quorum at First EGM	Required Quorum at Second EGM (called in case of lack of quorum to consider any proposal at the first EGM)	Majority Required to Approve
Business Combination Proposal	25% of the outstanding Public Shares	None	Majority of validly cast votes of the Public Shares; and Less than 35% Public Shares validly request redemption (excluding Public Shares in respect of which the Founders have exercised the Founders' Purchase Option)
Name Change Proposal, Earnout Shares Proposal, Founding Shares Proposal, Authorized Capital Proposal	Majority of the outstanding Public Shares & Majority of the outstanding Founding Shares	None	Two-thirds of the validly cast votes of Public Shares; and Two-thirds of the validly cast votes of Founding Shares
Directors proposal and Formalities Proposal	None	None	Simple majority (more than 50%) of the validly cast votes of Shares

Abstentions will be counted as “present” at the EGM for the purposes of determining whether quorum requirements have been satisfied, but will not be counted in either the numerator or the denominator for the purposes of determining whether the relevant required approval threshold has been reached.

Required Quorum and Vote for Warrant Amendment Proposal

The approval of the Warrant Amendment Proposal will require the affirmative vote of the holders of a majority of the Public Warrants outstanding as of the record date. Abstentions will each have the same effect as a vote “AGAINST” the Warrant Amendment Proposal. There are no other applicable quorum requirements.

Abstentions

With respect to deliberations at the EGM on the Shareholder Proposals, abstentions will be counted as “present” at the EGM for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Abstentions will each have the same effect as a vote “AGAINST” the Warrant Amendment Proposal.

Procedures for Voting Your Warrants or Shares

If you are a holder of record of Public Warrants on the day of the Special Meeting of Warrantheolders or Public Shares on the record date of June 22, 2011, you may vote with respect to the applicable proposals in several ways:

Voting in Person

Any Shareholder who holds one or more Shares of the Company on the record date shall be admitted to the Extraordinary General Meeting, subject to timely submission of the certificate described below. Any warrantholder who holds one or more Public Warrants on the day of the Special Meeting of Warrantheolders shall be admitted to the Special Meeting of Warrantheolders, subject to timely submission of the certificate described below.

Public Shareholders (whose shares are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the number of Public Shares recorded in their account on the Record Date. To participate and vote in the extraordinary general meeting, Public Shareholders shall submit a copy of the certificate to the Company via their custodian bank by mail, by fax or by email to the Centralizing Agent in the period from June 23, 2011 until June 29, 2011.

Warrantheolders (whose warrants are held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository) should receive from such operator or depository or sub-depository a certificate certifying the identity of the account holder, the number of Public Warrants recorded in their account and confirmation that transfers of such Public Warrants will be temporarily blocked until the close of the Special Meeting of Warrantheolders. To participate and vote in the Special Meeting, warrantholders shall submit a copy of such certificate via their custodian bank by mail, by fax or by email until June 29, 2011 to the Centralizing Agent.

As soon as the Centralizing Agent has received the relevant certificate, an attendance card will be sent to the relevant Shareholder or warrantholder directly or through their broker, bank or nominee, if applicable. This attendance card may take time to reach the Shareholder or warrantholder.

Representation by Proxy

Holders of Shares or Public Warrants who are unable to attend the Extraordinary General Meeting or Special Meeting of Warrantheolders in person may give voting instructions to the chairman of the Board of Directors, or to any other person designated by them.

Prior to giving voting instructions to the chairman of the Board of Directors, Shareholders and warrantholders must have obtained and delivered to the Centralizing Agent the completed, dated and signed proxy form and the certificates described above (see “—*Voting in Person*”). The proxy forms, which are attached hereto in Annex V, may also be obtained from the Centralizing Agent or downloaded from the Company’s website.

The completed, signed and dated proxy form must be received together with the relevant certificate by the Centralizing Agent no later than on June 29, 2011.

A holder that wishes to be represented by a proxy other than the chairman of the Board of Directors must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). In addition, the person appointed as proxy must bring to the Extraordinary General Meeting the completed, dated and signed proxy form obtained from the Centralizing Agent or downloaded from the Company’s website. A copy of the completed, signed and dated proxy form must be returned together with the relevant certificate to the Centralizing Agent no later than on June 29, 2011.

Completing the proxy form and receiving and delivering the relevant certificate to the Centralizing Agent will take time. Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a proxy but who wish to revoke such proxy may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Voting Forms

You may also vote at the Extraordinary General Meeting or Special Meeting of Warrant holders through a voting form obtained from the Centralizing Agent or downloaded from the Company’s website, also attached hereto in Annex V. To use a voting form, you must have obtained and delivered to the Centralizing Agent the relevant certificate described above (see “—*Voting in Person*”). A relevant certificate must be submitted together with the voting form to the Centralizing Agent no later than on June 29, 2011.

Holders of Public Shares or Public Warrants who have obtained the relevant certificate and have executed a voting form but who wish to revoke such voting form may do so by timely delivering a properly executed later-dated proxy or voting form to the Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting or Special Meeting of Warrant holders.

Completing the voting form and receiving and delivering the relevant certificate will take time to accomplish; Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Revoking Your Proxy or Voting Form

Holders of Public Shares and/or Public Warrants who have obtained a relevant certificate and have executed a proxy or a voting form but wish to revoke such proxy may do so by timely delivering a properly executed later-dated proxy or voting form to the relevant Centralizing Agent no later than on June 29, 2011 or by attending and voting in person at the Extraordinary General Meeting and/or the Special Meeting of Warrant holders, as the case may be.

Completing a later-dated proxy or voting form to revoke an earlier proxy or voting form and delivering such new proxy or voting form to the Centralizing Agent may take time to accomplish; Shareholders and warrant holders should be mindful of the time constraints involved in complying with the requirements for receipt of these documents by the Centralizing Agent.

Other Matters That May Be Presented at the Extraordinary General Meeting or the Special Meeting

The Extraordinary General Meeting has been called only to consider the Shareholder Proposals. Under the Company’s Articles, one or more Shareholders, representing at least 5% of the Company’s issued share capital, may request the addition of one or several items to the agenda of any general meeting of Shareholders. Such request must be sent to the Company’s registered office by registered letter at least three (3) days prior to the date of the general meeting. In the event such request entails a modification of the agenda of the general meeting, the Company will make available a revised agenda prior to the date of the EGM.

The Special Meeting of Warrant holders has been called only to consider the approval of the Warrant Amendment Proposal. Other than procedural matters incidental to the conduct of the Special Meeting of

Warrantholders, no other matters may be considered if they are not included in the notice of the Special Meeting of Warrantholders or an amended notice made available by the Company prior to the Special Meeting of Warrantholders.

Who Can Answer Your Questions About Voting Your Warrants or Shares

If you have any questions about how to vote or direct a vote in respect of your Public Warrants or Shares, you may contact the Centralizing Agent at:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services,
Taunusanlage 12,
60325 Frankfurt am Main, Germany,
Fax: +49/69/910-38794,
Email: dct.tender-offers@db.com.

Redemption Rights

General

Public Shares. Pursuant to the Company's Articles, a Public Shareholder that validly requests redemption in accordance with the procedures set forth in the Articles may request redemption of all or some of the Public Shares the Shareholder intends to vote against a proposed Business Combination. Public Shares that are redeemed will be proposed to be cancelled at a future general meeting of Shareholders.

As the Sellers and/or Founders do not intend to launch a mandatory takeover bid for the Shares, the redemption rights set out in this section constitute the only occasion for dissenting Shareholders to benefit of a right to have their Shares repurchased either if they do not agree with the Business Combination proposal or the acquisition of control by the Sellers and/or Founders as set out elsewhere in this proxy statement. If Shareholders do not make use of this right, the only way to sell the Shares will be to offer the Shares for sale on the market.

Public Warrants. Warrantholders have no redemption rights. If the Company does not consummate the Transaction and fails to complete an initial Business Combination by August 4, 2012, the Company will be liquidated and the Public Warrants will expire worthless.

Redemption Price

Pursuant to the Company's Articles, the redemption price for each Public Share will be calculated by dividing (a) the balance in the Escrow Account on June 7, 2011, the second Business Day prior to the expected publication date of the first convening notice for the general meeting of Shareholders called for the purpose of approving the Business Combination, after deducting reserves for taxes payable, by (b) the 20,000,000 Public Shares issued in connection with the Company's IPO. Pursuant to this calculation, the redemption price per Public Share will be €10.05625.

The closing price of the Public Shares on June 6, 2011 was €9.75 per Public Share. Prior to exercising redemption rights, Shareholders should verify the market price of the Public Shares as they may receive higher proceeds from the sale of their Public Shares in the open market than from exercising their redemption rights if the market price per Public Share is higher than the redemption price. The Company cannot assure Public Shareholders they will be able to sell their Public Shares in the open market, even if the market price per Public Share is higher than the redemption price stated above, as there may not be sufficient liquidity in the Public Shares when the Company's Public Shareholders wish to sell their Public Shares.

Redemption Procedures

Pursuant to the Company's Articles, if you are a holder of Public Shares and wish to exercise your redemption rights, you must do **all of the following on or prior to 6:00 p.m. CEST on June 17, 2011;**

- (i) notify the Company of your intention to vote all or part of your Public Shares against the Business Combination Proposal and request redemption of such Public Shares in writing by completing a redemption notice in the form attached to this proxy statement as Annex VI and returning it to the Centralizing Agent;
- (ii) cause the Public Shares you wish to redeem to be transferred to the blocked account specified by the Centralizing Agent for this purpose in the Convening Notice;

- (iii) grant a proxy to any of the Class C Directors of the Company, instructing that such Public Shares shall be voted against the Shareholder Proposals, unless and to the extent the Founders deliver a notice exercising their rights under the Founders' Purchase Option in respect of such Public Shares to the Company on or prior to the Business Day immediately prior to the record date for the EGM, in which case the Public Shares shall be voted in favor of the Shareholder Proposals; and
- (iv) grant the Wendel Shareholder, the entity through which Wendel holds its Shares in the Company, an option in the form set forth in Annex VI to this proxy statement, which is referred to as the Founders' Purchase Option, to purchase all or a portion of the Public Shares you intend to vote against the Shareholder Proposals, exercisable at any time on or prior to the Business Day immediately preceding the record date for the EGM at a purchase price per Public Share of €10.05625.

Public Shareholders who do not follow the above procedures will not be entitled to redemption of any of their Public Shares.

Withdrawal of Shares Tendered for Redemption

To withdraw a redemption notice in respect of all or a portion of the Public Shares tendered for redemption, a Public Shareholder must deliver to the Centralizing Agent a withdrawal notice in the form attached as Annex VII to this proxy statement **on or prior to 6:00 p.m. CEST on June 21, 2011.**

Any Public Shares in respect of which the redemption notice is validly withdrawn will not be redeemed or purchased pursuant to the Founders' Purchase Option and the proxy granted to the Class C Directors in connection with the redemption notice will be deemed null and void in respect of the Public Shares covered by the withdrawal notice.

Founders' Purchase Option

To validly request redemption of Public Shares, a dissenting Shareholder must grant the Wendel Shareholder an option, exercisable at any time on or prior to June 21, 2011, to purchase all or a portion of the Public Shares such dissenting Shareholder has tendered for redemption. The purchase price per Public Share pursuant to the option is equal to €10.05625, which is the same as the redemption price that would otherwise be payable if the Company redeemed such Public Shares. Public Shares for which a valid withdrawal notice has been received by the Centralizing Agent on or prior to 6:00 p.m. CEST on June 21, 2011 will not be subject to the Founders' Purchase Option.

In the event that the Wendel Shareholder exercises the Founders' Purchase Option, the Company will make a public announcement indicating the total number of Public Shares in respect of which the Founders' Purchase Option has been exercised. Payment for such purchases will be made by the Wendel Shareholder to the Company promptly after the approval of the Business Combination Proposal and the Transaction, and the Company will in turn deliver the purchase price to Public Shareholders whose Public Shares have been purchased under the Founders' Purchase Option.

Appraisal Rights

No appraisal rights are available under Luxembourg law to the Shareholders of the Company in connection with the proposals set forth herein.

Proxy Solicitation Costs

The Company is soliciting proxies in favor of the chairman of its Board of Directors. All solicitation costs will be paid by the Company. The Company and its Directors, officers and employees may also solicit proxies in person, by telephone or by other electronic means, including email and facsimile.

The Company has engaged Registrar Services to assist in the proxy solicitation process. It will pay that firm a fee of €40,000 plus disbursements.

The Company will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy materials to their principals and to obtain their authority to execute proxies and voting instructions. The Company, the Exceet Group and their respective directors and officers may be deemed to be participants in the solicitation of proxies. Deutsche Bank and the other managers of the Company's IPO (the "Managers") may provide assistance to the Company and its Directors and officers and may be deemed to be participants in the solicitation of proxies. Warrantholders and Shareholders are advised that the Managers may have financial interest in the successful outcome of the proxy solicitation.

Vote of the Founders and Management of the Company

At the date of this proxy statement, the Company's Founders and management beneficially owned and were entitled to vote an aggregate of 6,315,790 Founding Shares and 1,350,000 Public Shares. Those shares represent an aggregate of approximately 6.75% of the total votes represented by the Public Shares and 29.1% of the total votes represented by the Company's outstanding Shares. While the votes of holders of Founding Shares will not be counted for the purpose of determining whether the Business Combination Proposal is adopted, the Founders have agreed to vote the Public Shares they own and any Public Shares that they may acquire in the secondary market or otherwise in favor of the Business Combination Proposal. The Founders of the Company have agreed to vote in favor of all other proposals presented at the Extraordinary General Meeting.

At the date of this proxy statement, the Company's Founders and management own 1,350,000 Public Warrants, representing approximately 6.75% of the outstanding Public Warrants. The Company's Founders and management intend to vote all Public Warrants they own or may hereafter acquire in favor of the Warrant Amendment Proposal.

PROPOSALS TO BE CONSIDERED BY SHAREHOLDERS

THE BUSINESS COMBINATION PROPOSAL

The discussion in this proxy statement of the Business Combination Proposal and the principal terms of the Share Purchase Agreement are subject to, and is qualified in its entirety by reference to, the Share Purchase Agreement, which is attached as Annex I to this proxy statement.

General Description of the Transaction

On June 7, 2011, the Company, Helikos AG, Ventizz, the other Sellers and Exceet Group AG entered into a Share Purchase Agreement pursuant to which, among other things, Helikos AG, a newly-formed, wholly-owned subsidiary of the Company, intends to acquire all issued and outstanding shares in Exceet Group AG.

The consideration consists of €110.5 million in cash, approximately 3.1 million new Public Shares of the Company and 9 million shares of a newly-authorized class of shares of the Company called the Earnout Shares. The Earnout Shares will be convertible into Public Shares in three equal tranches based on Daily VWAP (defined elsewhere in this proxy statement) conversion thresholds of €12, €13 and €15 per Public Share, respectively.

In connection with the Share Purchase Agreement, the Founders have agreed (i) to an amendment of the terms of the outstanding Founding Warrants to provide for their redemption upon consummation of the Transaction and to use the redemption proceeds therefrom to subscribe for 1 million newly issued Class B4 Founding Shares that will convert into Public Shares based on a Daily VWAP conversion threshold of €12 per Public Share, and (ii) to an amendment of the terms of the Company's Class B2 and Class B3 Founding Shares to increase the Daily VWAP thresholds at which such Founding Shares convert into Public Shares from €11 to €14 per Public Share and from €12 to €16 per Public Share, respectively.

Pursuant to the Share Purchase Agreement, the Company will also make a capital contribution to Exceet Group AG in an amount of between €15 million and €59.9 million determined as set forth in the Share Purchase Agreement, and has agreed to repay up to €11.1 million of certain outstanding indebtedness of the Exceet Group to certain of the Sellers.

In the Share Purchase Agreement, the Company has also agreed to seek the approval of the holders of the Public Warrants to an amendment on the terms described herein.

The parties to the Share Purchase Agreement intend to consummate the Transaction as promptly as practicable following the Extraordinary General Meeting of Shareholders and the Special Meeting of Warrantholders, provided that:

- the holders of Public Warrants have approved the Warrant Amendment Proposal;
- the Company's Shareholders have approved the Shareholder Proposals;
- holders of no more than one share less than 35% of the Public Shares (disregarding any Public Shares in respect of which the Founders' Purchase Option is exercised) validly request redemption of their Public Shares; and
- the other conditions specified in the Share Purchase Agreement have been satisfied or waived.

Background of the Transaction

Subsequent to the consummation of its IPO, the Company commenced efforts to identify and evaluate potential acquisition candidates with the objective of consummating a Business Combination. The Company screened potential targets based upon the following characteristics:

- *Established businesses.* The Company sought to identify acquisition candidates with sound historical financial performance.
- *Companies with sound business models.* The Company sought to identify acquisition candidates with sound business models that offer opportunities for growth.
- *Companies with a strong competitive industry position.* For each potential acquisition candidate, the Company reviewed growth prospects, competitive dynamics, level of consolidation, need for capital investment and barriers to entry. The Company sought to identify acquisition candidates that have a leading market position or that the Company believed had an opportunity to develop such a position.

The Company analyzed the strengths and weaknesses of target businesses relative to their competitors, focusing on brand strength, product quality, customer loyalty, cost impediments associated with customers switching to competitors, trademark protection and brand positioning. The Company sought to identify acquisition candidates that demonstrated advantages when compared to their competitors that would help to protect their market position and profitability and deliver strong free cash flow.

- *Experienced management team.* The Company sought to identify acquisition candidates with strong, experienced management teams. The Company focused on management teams with a proven track record of driving revenue growth, enhancing profitability and generating strong free cash flow.

As part of these efforts, the Company identified and screened more than 150 investment opportunities from contacts with over 290 managers, shareholders and intermediaries, and continued to narrow its focus to a select number of viable and actionable targets that met its criteria.

Of the potential opportunities identified by the Company, over half were not pursued further due to the target company's absence of requirements for new capital and/or its lack of interest in becoming a public company or opening up to external investors. Of the remaining prospects, most were eventually abandoned because they did not meet the investment criteria of the Company, including the potential target's valuation expectations, size, leverage, management or lack of readiness for the capital markets.

The Company held direct discussions and negotiations with approximately 29 companies and financial sponsors and extended 12 indications of interest. Subsequent to submitting these indications of interest, management continued discussions with certain targets, some of which did not proceed after the initial discussion phase. In the period immediately prior to the execution of the Share Purchase Agreement, ongoing discussions with 8 companies were terminated to focus on a potential transaction with Exceet Group AG. Of all the potential transactions evaluated, the Company's management concluded that a combination with the Exceet Group was the most promising potential acquisition.

Negotiations with the Sellers

Initial talks on evaluating the Exceet Group as a potential target for the Company took place in November 2010, when Willi Mannheims, managing partner of Ventizz Capital Partners AG, called Roland Lienau, a Director of the Company, with a view to meeting and discussing certain Ventizz portfolio companies as potential acquisition targets for the Company. The two met for the first time in the Company's offices in Frankfurt on November 2, 2010, and Mr. Mannheims gave an initial introduction on AEM Technologies AG, a portfolio company of Ventizz, which was later renamed Exceet Group AG. The Company was informed that Ventizz was exploring a number of options to raise capital from external sources to support the acquisitions and growth strategy of the Exceet Group.

On December 2, 2010, the Company and its advisor KPMG were given a management presentation by Mr. Ulrich Reutner (Exceet Group AG's chief executive officer) at the offices of Latham & Watkins LLP ("Latham & Watkins") in Frankfurt, pursuant to a non-disclosure agreement. Also present at this meeting were Ulrich Feisst (Exceet Group AG's Chief Financial Officer), Mr. Mannheims (Ventizz), Daniel Saxena (Ventizz) and Roland Maass (Latham & Watkins).

Subsequent meetings to get a better understanding of the Exceet Group's business, its strategy, operations and financials took place in the period from December 2010 to March 2011. These included calls to discuss follow-up questions on the management presentation and meetings in late January 2011 to have an initial discussion of the steps to a potential transaction, to discuss the structure of the Company with Exceet Group AG's management, and to understand Exceet Group AG's management's vision for the future of the business.

On February 24, 2011, the Company's management made a presentation on the Exceet Group and a potential transaction to the Board of Directors of the Company. The Board discussed the opportunity, focusing on the high growth profile and margins of the Exceet Group, as well as the need for further analysis of the Exceet Group's financial statements and for due diligence to assess the integration of the Exceet Group, any challenges to its competitive positions and the quality of its management team. At this time, the Company was actively negotiating an alternative investment opportunity other than one with Exceet Group AG, and the Board determined to continue to explore both potential transactions.

Concrete discussions on a potential transaction and the negotiations of the economic terms thereof started in March 2011. On April 1, 2011, the Company, KPMG and Ventizz met at Ventizz's Düsseldorf offices to discuss the valuation of the Exceet Group and potential transaction structures. On April 5, 2011, the Company's management discussed the progress of negotiations with the Board of Directors, and then circulated an initial

draft non-binding term sheet at a meeting with Ventizz to further discuss valuation, transaction details on the size of the proposed capital contribution, the expected transaction calendar, the potential composition of the Board of Directors of the Company and the board of directors of Exceet Group AG following a transaction, and a plan for commencing due diligence.

The draft non-binding term sheet was exchanged between the Company and Ventizz several times in the following weeks, and was discussed in several calls during this period. On April 8, 2011, the Company's management held a call with the Board of Directors of the Company to seek approval to incur expenses in a due diligence investigation of the Exceet Group and approval of the appointment of Roland Berger to conduct commercial due diligence on the Exceet Group.

On April 19, 2011, the Company and its advisors participated in a full-day Exceet Group management presentation, including Q&A sessions on the commercial and financial position of the Exceet Group, and a site visit of the production facilities of Winter AG, a company recently acquired by the Exceet Group.

On April 20, 2011, the Company's management presented the then-current results of their investigation of Exceet Group AG at a meeting of the Board of Directors. At this time, the Company's focus had narrowed to the Exceet Group AG transaction; the Company's management viewed the alternative opportunity discussed at the Board's February 24, 2011 meeting as inferior to a transaction with Exceet Group AG, in particular because the other potential deal was subject to additional risks and an uncertain timeline. At the meeting, the Directors discussed certain positive attributes of the Exceet Group, including its close customer relationships, its successful decentralized organizational structure, its potential for international expansion, and its unique positioning as a small series technology and security solution provider whose clients approach it with their needs rather than the Exceet Group employing a sales force which seeks orders. The Directors also noted potential future challenges for the Exceet Group in managing high growth and international expansion.

Following negotiations, a non-binding term sheet was signed by the Company, Ventizz and Exceet Group AG on May 2, 2011. In the weeks that followed, the Company continued its financial, tax as well as legal due diligence of the Exceet Group, including several site visits, and discussed appropriate acquisition structures and legal documentation with Ventizz and the Exceet Group.

On June 6, 2011, the board of directors of Exceet Group AG held a meeting at which the execution of the Share Purchase Agreement and the consummation of the Transaction by Exceet Group AG was unanimously approved. On June 7, 2011, the Board of Directors held a meeting at which, inter alia, it was unanimously determined (a) that the Transaction is advisable and fair to, and in the best interest of, the Company and its Shareholders and that the fair market value of the Exceet Group meets the 80% Threshold; (b) to approve the terms and condition of the Transaction, and the entry by the Company into the Share Purchase Agreement; (c) to recommend to the Shareholders and the warrant holders, as the case may be, to vote for the approval of the Shareholders Proposals and the Warrant Amendment Proposal. The parties executed the Share Purchase Agreement and finalized this proxy statement on June 7, 2011. Immediately thereafter, both parties issued a joint press release announcing the execution of the Share Purchase Agreement.

The Company's Board of Directors' Reasons for the Approval of the Transaction

The Board of Directors considered a wide variety of factors in connection with its evaluation of the Transaction. In light of the complexity of these factors, the Board of Directors did not consider it practical to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the Board of Directors may have given different weight to various factors. Among the factors considered by the Board of Directors as a basis for the beliefs expressed below were financial and other information concerning the Exceet Group provided by the Exceet Group and the Sellers, various industry and financial data, including certain financial analyses developed by the Company and metrics compiled by the Company's management in evaluating the consideration to be paid by the Company in the Transaction, the results of the Company's due diligence investigation of the Exceet Group, and matters brought to the Company's attention in the process of negotiating the Share Purchase Agreement.

In considering the Transaction, the Company's Board of Directors gave considerable weight to the following factors:

Business factors

High barriers to entry. The Board of Directors believes that the Exceet Group benefits from high barriers to entry that derive from its focus on mission critical components and systems that are generally integrated in high-value devices and the 'build and trust' relationship the Exceet Group has developed with the majority of its customers. This position is built around three elements:

- ***Certification requirements.*** In order to be sold to its blue chip customers, many of the Exceet Group's products must first meet demanding certification and, to a lesser extent, regulatory requirements. The award of these certifications to the Exceet Group is a lengthy process that the Board of Directors believes should help protect the Exceet Group from potential new entrants into its core markets.
- ***Technical/R&D capabilities.*** The Board of Directors believes blue chip customers come to the Exceet Group, first and foremost, for the quality and the reliability of its products as well as its ability to provide them with specific customized solutions. These quality requirements require meaningful development expertise and a strong technical and process know-how that takes several years to develop.
- ***Reputation.*** The Board of Directors believes the Exceet Group has established a long-standing reputation in certain customer segments with mission-critical security requirements (*e.g.*, medical technology, financial services). This reputation is based on excellence in process know-how, miniaturization, personalization and solutions development. The Board of Directors believes establishing a comparable reputation is difficult for potential new entrants in the Exceet Group's markets.

Strong market position. The Exceet Group focuses on niche 'specialty' markets, as its products are generally integrated into costly devices that are produced in small and mid-sized quantities. The Board of Directors believes this represents a "sweet spot" within the electronic component market, because:

- The Exceet Group's focus on products that are produced in small and mid-sized series means the quantities produced are not high enough to attract mass producers; and
- Development and certification requirements are high enough to reduce competition from smaller independent suppliers.

Most of the Exceet Group's markets are highly fragmented. In the key medical market segments and regions in which it operates, for example, the Exceet Group is a leading producer. Most of the Exceet Group's competitors in these segments are smaller companies and the Exceet Group often is the single source of supply for its customers, suggesting that competition is fairly limited.

Significant customer stickiness. The Exceet Group has established a long-standing relationship with most of its customers. The ten largest customers of the Exceet Group, which represented 51.6% of its revenues in the year 2010, have been with the Exceet Group for seven to ten years on average (with the longest at 17 years). The Board of Directors believes that this stickiness is explained by the Exceet Group's client proximity, itself based on the following features of its business model:

- In-house design, customized products and tailor-made solutions, as well as joint product development with customers;
- Close-to-customer production footprint; and
- A strategy focused on strong customer lock-in over the entire product life-cycle.

Business attractiveness is reflected in the group's financial performance. The Board of Directors believes the Exceet Group's market position and barriers to entry are reflected in the group's EBITDA margin. In 2010, the Exceet Group generated an EBITDA margin of 14.8%, which compares favorably to average EBITDA margins reported for the same period by mass component producers (SMT, TTM Tech, Benchmark, CTS, Fabrinet, Flextronics, Jabil) at an average of approximately 8.9%, specialty products mid-size series manufacturers (Advantech, Data Respons, Kontron, Gemalto, Smartrac, Zebra) at an average of approximately 10.4%, and specialty products small series manufacturers (Mercury, Nedap) at an average of approximately 13.5%. The Board of Directors believes this provides evidence that customers are willing to pay a premium for the Exceet Group's value added products and services.

Experienced management team. The Exceet Group's management has established a proven track record of driving revenue growth, expanding profitability and generating cash flow. The Exceet Group's management team also has a history of acquiring companies and unlocking value during the integration process. Given the relatively strong fragmentation of the markets in which the Exceet Group operates, the Board of Directors believes this is a key management strength.

Financial factors

Organic revenue growth prospects. The Board of Directors believes the Exceet Group's organic revenue growth should be driven by underlying growth trends in the group's main end markets. The Exceet Group's management has set a strategic objective of organic revenue growth in the range of 10% to 15% per year from 2010 to 2015, of which 2/3 should be driven by organic growth of current applications with customers, and 1/3 should come from new applications with existing and/or new customers. Market research suggests the market segments the Exceet Group targets within the medical technology sector, the Exceet Group's main vertical (accounting for approximately 50% of 2010 revenues), benefit from opportunities for secular growth driven by global trends such as aging population, rising patient awareness, technological advancement in medical imaging and increasing obesity rates. For instance, a market study prepared at the request of the Company estimates that the Exceet Group's medical technology end markets should grow in the range of 6.5% p.a. (for analysis/dialysis equipment) to 22% p.a. (for cochlea implants) between 2010 and 2015. Other Exceet Group end markets (industrial automation, financial services & security) should also benefit from growth driven by such trends as replacement of traditional ID cards by digital ID, increasing electronic content within industrial and traction products as well as a general trend towards green energy solutions.

Significant M&A potential. The Exceet Group's markets show a relatively high fragmentation, as the market is mainly made of relatively small independent players. For instance, based on a market study prepared at the Company's request, the Company estimates that exceet is the leader in the medical technology sub-segments and regions in which it operates with a market share estimated at only between 10-12%. In addition, the Exceet Group's management indicates that customers within the industry increasingly require their suppliers to manage product lifecycles. In order to do that, suppliers need scale, which, the Board of Directors believes should support the increasing consolidation trend, as it is detrimental to smaller players. Given the M&A track record of the Exceet Group's management, as well as the Combined Group's expected strong balance sheet post transaction (based on a capital increase at the Exceet Group AG level of between €15 million and €59.9 million in connection with the Transaction), the Board of Directors believes the Exceet Group is well positioned to benefit from this M&A trend. The Board of Directors believes this lends credibility to the target of 10-20% revenue growth p.a. the Exceet Group's management has stated it aims to achieve over the 2010 to 2015 period.

Room for margin expansion. The Exceet Group generated an EBITDA margin of 14.8% in 2010. In the first quarter of 2011, the EBITDA margin reached 15.7% (18% excluding one-off IPO costs), driven by robust trading and an improving product mix. Despite recent margin improvement, the Exceet Group's management indicated during due diligence that it believes there is further room for margin expansion in 2011 onwards. Such expansion should be driven by cost-cutting, cost synergies, and margin improvement of recently acquired companies. The Exceet Group's management has set an internal target of achieving an 18% EBITDA margin in the medium term.

High Free Cash Flow conversion. The Exceet Group's Free Cash Flow conversion reached respectively 112%, 77% and 73% in 2008, 2009 and 2010. This strong performance was achieved through efficient management of working capital requirements, control on capital expenditure spending and a relatively low tax rate. Going forward, the Exceet Group's management believes it is well positioned to continue to generate strong Free Cash Flow conversion, because control over capital expenditures and the Exceet Group's relatively low tax rate should be recurring in nature, whereas working capital requirements still offer room for further contraction.

High ROCE. Based on the Exceet Group's historical accounts for 2010, the Company calculates that the Exceet Group generated a pre tax Return On Capital Employed (ROCE) of 17.2% (or 13.5% post tax).

Attractive purchase price. The Board of Directors believes the estimated enterprise value arising from the Transaction, based on the Exceet Group's management's objectives for the current financial year, compares favorably to the average multiples at May 30, 2011 for mass component manufacturers (SMT, TTM Tech, Benchmark, CTS, Fabrinet, Flextronics, Jabil), which were trading at approximately 6.9x, specialty products mid-size series manufacturers (Advantech, Data Respons, Kontron, Gemalto, Smartrac, Zebra), which were trading at approximately 8.8x, and specialty products small series makers (Mercury, Nedap), which were trading at approximately 9.5x.

The Board of Directors believes the purchase price does not fully reflect the Exceet Group's fast growth profile, the added value paid for by customers, as evidenced by the group's strong margins, or its M&A potential.

- **Transaction Structure.** The Board of Directors believes the structure of the Transaction attractively aligns the interests of the Company's Shareholders, the Founders and the Sellers. In particular:
 - A significant portion of the consideration paid to the Sellers is in the form of Earnout Shares whose full value can be realized only if there is significant appreciation in the Company's Public Share price. The Board of Directors believes this structure helps align the interests of the Sellers with those of the Company's Public Shareholders in the future share price performance of the Public Shares. At the same time, this structure results in a more favorable effective purchase price if the Public Share price thresholds are not met;
 - The restructuring of the Founding Shares to increase the thresholds at which they convert into Public Shares further aligns the interests of the Founders in the future share price performance of the Public Shares; and
 - The exchange of the Founding Warrants for Founding Shares and the amendments to the terms of the Public Warrants reduce the potential dilution resulting from these securities.

Other Factors

The Company's Board of Directors believes the above factors strongly support its determination and recommendation to approve the Transaction. The Company's Board of Directors did, however, consider the following potentially negative factors, among others, together with the risk factors set forth elsewhere in this proxy statement, in its deliberations concerning the Transaction. The Board of Directors concluded that the positive factors noted above significantly outweighed these potential negative factors.

- **Acquisitions may dilute EBITDA margins and expose the Exceet Group to other risks.** The Exceet Group's 14.8% EBITDA margin in 2010 and its EBITDA margin of 15.7% in the first quarter of 2011 do not reflect the impact of acquisitions made after the end of the first quarter of 2011. The acquired companies historically have generated lower EBITDA margins than the Exceet Group. Although the Exceet Group's management believes it can improve the profitability of the acquired companies, these acquisitions will have a dilutive effect on the overall EBITDA margin of the Exceet Group until such time as the profitability of the acquired companies can be raised to the level of the rest of the Exceet Group. The Board of Directors considered the risk that improving the profitability of these companies, and any future companies the Exceet Group may acquire, could take longer than expected or fail to occur. The Board of Directors also considered the fact that the Exceet Group's M&A strategy will expose it to other risks commonly encountered with acquisitions, including the possibility that the Exceet Group may have difficulty identifying, competing for, financing or closing a sufficient number of acquisitions on attractive terms to meet its external growth objectives and that potential synergies between subsidiaries may not materialize. See "*Risk Factors—Risks relating to the Business of the Exceet Group—The Exceet Group depends on a limited number of customers.*" and "*—The Exceet Group may not be able to integrate newly acquired companies into its existing operations successfully and may face other adverse consequences of acquisitions.*"
- **High customer concentration.** In 2010, the Exceet Group generated 51.6% of its revenues from its top ten customers. The Board of Directors considered the risk that this level of customer concentration could expose the Exceet Group to substantial losses if one or more of its major customers significantly reduces or ceases to do business with the Exceet Group. See "*Risk Factors—Risks relating to the Business of the Exceet Group—The Exceet Group depends on a limited number of customers.*"
- **Limited number of suppliers.** The Board of Directors considered the fact that the Exceet Group depends on a limited number of suppliers, which exposes it to risks including potential shortages of key components, potential limitations on its bargaining power with suppliers and the other risks noted under "*Risk Factors—Risks relating to the Business of the Exceet Group—In each of its business segments, the Exceet Group depends on a limited number of suppliers. A loss of its suppliers or distributors, interruptions or shortages in supply or an increase in the prices of its raw materials, component parts, subassemblies or modules may adversely affect its business operations.*"
- **The Exceet Group's business model may have limitations.** The Board of Directors considered the possibility that the Exceet Group's business model may have limitations. The Board of Directors considered the risk that the Exceet Group's close-to-customer production footprint business model may limit its applicability outside its current principal geographical markets and ability to leverage its

strong customer relationships to expand its share of customers' global production outside those markets. The Board of Directors also noted that the Exceet Group has limited experience in large-scale series manufacturing, which may limit the Exceet Group's ability to serve very large orders, and considered the risk that the Exceet Group's management may face challenges in managing the rapid growth of the business. The Board of Directors also considered the risk that the Exceet Group may have limited bargaining power to secure meaningful price reductions from suppliers, and the fact that the Exceet Group has not pursued integrated branding.

- ***Price pressure may increase in certain product segments if competitors overcome the barriers to entry noted above.*** The Board of Directors considered the risk that competitors may overcome the barriers to entry noted above, which could subject the Exceet Group to price erosion. The Board of Directors also noted that the barriers to entry are lower in some of the Exceet Group's product segments than others. For example, the Board of Directors noted the risk that rising competition from low cost manufacturers in Asia could erode margins for less advanced cards produced by the Exceet Group, such as gift cards. *See also "Risk Factors—Risks relating to the Business of the Exceet Group—Some of the markets in which the Exceet Group operates are highly competitive and the Exceet Group might be adversely affected if it was unable to adapt to competitive threats."*
- ***The target markets served by the Exceet Group may grow more slowly than expected.*** The Board of Directors considered the risk that the Exceet Group's key target markets may grow more slowly than projected due to changes in the underlying growth drivers of those markets or other factors.
- ***Amounts paid by the Company to redeem Public Shares will reduce the funds available to the Combined Group that can be used to execute its M&A strategy.*** The Board of Directors considered the risk that redemptions of Public Shares will reduce the funds available to the Combined Group following the Transaction. Although the Board of Directors believes the €15 million minimum capital contribution to Exceet Group AG should provide it with sufficient funds to execute this strategy, the Board considered the possibility that funding at this minimum amount could result in a slower implementation of the M&A strategy compared to a scenario in which there are no redemptions.

Based on its consideration of the above factors, the Board of Directors concluded that the Transaction is fair to, and in the best interests of, the Company.

Interest of Company Shareholders in the Transaction

In connection with the Transaction:

- the Company will issue 3,069,736 newly issued Public Shares and 9.0 million newly issued Earnout Shares to the Sellers;
- the Company will redeem the outstanding Founding Warrants and issue 1.0 million new Founding Shares to the Founders in exchange for the related redemption proceeds;
- the first tranche of the Founding Shares issued prior to the IPO will automatically convert into 2,105,264 new Public Shares, and the Daily VWAP conversion thresholds for the remaining two tranches will be increased from €11 to €14 per Share and €12 to €16 per Share, respectively.

Upon consummation of the Transaction, after giving effect to the issuances of new Public Shares, Earnout Shares and Founding Shares described above, the Company's current Shareholders (including its Founders) will hold approximately 69.4% of the Company's outstanding voting Shares after the Transaction, assuming that no Public Shares are redeemed and the Founders' Purchase Option is not exercised. If the Company receives valid requests for redemptions representing 35% of the outstanding Public Shares less one Public Share, and the Founders' Purchase Option is exercised for the amount necessary to ensure the €15 million minimum capital contribution the Company's current Shareholders will hold approximately 64.8% of the Company's outstanding voting Shares after the Transaction.

Although the Company's Founding Shares and Earnout Shares have full voting rights upon issuance, they will have no material economic rights until they are converted into Public Shares. In particular, the Founding Shares and Earnout Shares:

- will not share in any dividends in excess of €0.01 per Share prior to conversion into Public Shares;
- will not be transferable (subject to certain limited exceptions) prior to their conversion into Public Shares, except that at any time after the second anniversary of the consummation of the Transaction, Ventizz may transfer the Earnout Shares as distributions-in-kind to its fund investors;

- will cease to be convertible into Public Shares on the fifth anniversary of the consummation of the Transaction; and
- will be redeemed at accounting par value promptly following the fifth anniversary of the consummation of the Transaction.

Certain Interests of the Company's Directors and Officers and Others in the Transaction

When you consider the recommendation of the Company's Board of Directors in favor of approval of the Transaction, you should keep in mind that the Company's Directors and officers have interests in the Transaction that are different from, or in addition to, your interests as a Shareholder. These interests include, among other things:

- If the Company is unable to complete the Transaction or fails to complete an initial Business Combination by August 4, 2012, the Company's Articles require the Board of Directors to submit a proposal to an Extraordinary Meeting of Shareholders to liquidate the Company. In such event:
 - the 6,315,790 Founding Shares that were acquired before the IPO for an aggregate purchase price of €96,000 would be worthless because the Company's Founders are not entitled to receive any of the proceeds of the Company's Escrow Account with respect to such Founding Shares; and
 - the 10,000,000 Founding Warrants acquired by the Founders for an aggregate purchase price of €10 million would expire worthless.
- The Founders, including the Company's Directors Roland Lienau and Prof. Hermann Simon, hold in the aggregate 6,315,790 Founding Shares, 2,105,264 of which will convert into Public Shares upon the consummation of the Transaction.
- The Company has agreed to redeem the Founding Warrants upon consummation of the Transaction and to issue 1 million new Founding Shares to the Founders, subject to Shareholder approval, that will convert into 1 million Public Shares based on a Daily VWAP threshold of €12 per Public Share.
- The Wendel Shareholder holds 1,350,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant it holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.
- It is anticipated that Dirk-Jan van Ommeren and Roland Lienau will continue to serve as Directors of the Company, and Prof. Hermann Simon will be appointed as a member of the proposed Advisory Board of the Company.
- The Company's Director, Dr. Jürgen Heraeus owns 15,000 Public Shares and 15,000 Public Warrants and will be entitled to a cash payment in respect of each Public Warrant he holds as provided in the Warrant Amendment Proposal if the Warrant Amendment Proposal is approved.

In addition to the interests of the Company's Directors and officers in the Transaction, certain persons promoting the Transaction and/or soliciting proxies on behalf of the Company have interests in the Transaction that are different from, or in addition to, the interests of the Company.

Deutsche Bank and the other Managers of the Company's IPO may provide assistance to the Company and its Directors and officers and may be deemed to be participants in the solicitation of proxies. The Managers agreed to defer 1.25% of the adjusted gross proceeds of the IPO until consummation of the Company's initial Business Combination. In addition, up to an additional 1.00% of the adjusted gross proceeds of the IPO may be paid at the discretion of the Company to the Managers based on the Company's assessment of the quality of the services rendered by the Managers in connection with the IPO and the Transaction. If the Company does not consummate a Business Combination and the balance of the Escrow Account is distributed, the Managers have agreed to forfeit any rights or claims to their deferred underwriting commissions and such commissions will be distributed on a pro rata basis to the Public Shareholders.

Satisfaction of 80% Threshold

Pursuant to the Articles, a Business Combination such as the Transaction can only proceed if the Company's Board of Directors determines that the acquired business or company has, on the date the Board of Directors resolves to submit such transaction to the Company's Shareholders for approval, a fair market value of at least 80% of the balance then in the Escrow Account, after deducting deferred underwriting discounts and commissions.

As of June 7, 2011, the date on which the Board of Directors resolved to submit the Transaction for approval, the balance in the Escrow Account, after deducting deferred underwriting discounts and commissions was €198.6 million, corresponding to an 80% Threshold of €158.9 million.

The Company's Board of Directors determined that the acquisition of the Exceet Group exceeds the 80% Threshold. In reaching this determination, it did not obtain an opinion from an unaffiliated third party that the Exceet Group meets the 80% Threshold or that the price to be paid under the Share Purchase Agreement is fair to the Company's Shareholders. The Board of Directors determined not to obtain such an opinion because of (i) the Company's internal ability to value the business in consultation with its financial advisors; (ii) its general exercise of business judgment and (iii) its knowledge that the valuation of the proposed Transaction would be tested by the market and Shareholders would be able to veto the Transaction if they did not consider it to be fair.

In performing the analyses considered by the Board of Directors, the Company, among other things:

- Reviewed financial data with respect to the Exceet Group, including the audited financial statements and pro forma financial statements included in this proxy statement;
- Reviewed financial projections provided by the Exceet Group's management during the due diligence process. As part of the due diligence process, the Company and its financial advisors discussed those financial projections including the major assumptions underlying such financial projections and concluded that the underlying assumptions appeared reasonable;
- Performed valuation analyses of the Exceet Group using fair market value as the standard of value and concluded that the enterprise value of the Exceet Group under each of the valuation methods used by the Company was in excess of the 80% Threshold, including under the conservative case evaluated by the Company as of the date of the meeting at which the Board resolved to submit the Transaction to Shareholders for approval. The Company used widely accepted principles of financial analysis and valuation theory in its valuation analyses of the Exceet Group;
- Reviewed information concerning the trading of, and the trading market for the Company's Public Shares and Public Warrants;
- Considered information gathered during the due diligence process, including market studies prepared at the request of the Company in connection with the due diligence process, due diligence reports prepared by the Company's advisors and other information relating to the underlying market segments in which the Exceet Group operates and projected growth rates in those markets and carried out due diligence discussions with the management of the Exceet Group in order to understand the key demand drivers and market indicators and economic outlook for those markets.

In arriving at the conclusion that the fair market value of the Exceet Group meets the 80% Threshold, the Company and the Board of Directors relied upon and assumed the accuracy, completeness and reasonableness of all of the financial and other information provided by the Exceet Group, as well as the assurances of management of the Exceet Group that they were not aware of any facts or circumstances that would make any such information incomplete or misleading. The Company and the Board of Directors assumed that any financial models reviewed by it were reasonably prepared on a basis reflecting the best estimates and information available as of the date of the determination regarding the 80% Threshold.

In connection with the Board of Director's determination that the Transaction meets the 80% Threshold, the Company performed certain financial, comparative and other analyses as summarized below. These analyses involved various determinations as to the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the particular circumstances.

Each of the analyses conducted by the Company was carried out to provide a different perspective on the Transaction, and to enhance the total mix of information available. The Board of Directors and the Company did not form conclusions as to whether any individual analysis, considered in isolation, supported or failed to support the conclusion regarding the 80% Threshold. The summary of the Company's analyses described below is not a complete description of the analyses underlying the determination that the 80% Threshold was met.

Business valuations necessarily require the exercise of judgment when conducting comparative analyses because no two companies and no two transactions are exactly alike. The Company's judgments were based upon its observations of the Exceet Group's financial characteristics in view of the financial characteristics of companies from the samples of companies which the Company found to be present in one or more of their market sub-segments targeted by the Exceet Group and other companies the Exceet Group believed might be considered to be relevant for investors. Furthermore, to determine an appropriate discount rate in connection with

its discounted cash flow analysis, the Company assessed the Exceet Group's relative risks, in addition to applying other objective criteria. The Company believes these adjustments and determination were all within the accepted standards of business valuation practice. If the adjustments and determinations were different, it is possible that the final estimated range of the Exceet Group's enterprise value would have been higher or lower than the range noted above.

Valuation Overview

As part of its valuation analysis, the Company used a variety of valuation methods, including a discounted cash flow analysis and a comparable company analysis, which were applied to both the base case in the financial projections provided by the Exceet Group's management and a case prepared by the Company based on more conservative assumptions.

Discounted Cash Flow Analysis

Utilizing the financial projections provided by the Exceet Group for the period 2011-2015 and a second set of projections prepared by the Company based on more conservative assumptions than those set forth in the Exceet Group's projections, the Company determined the net present value of the net cash flow of the Exceet Group to determine the enterprise value for the Exceet Group. To arrive at a present value, the Company applied an assumed discount rate in the range of 9%-11% to the net cash flow for each of the years in the projection period as well as to a terminal net cash flow value. The Company used this range of discount rates based on its estimate of the weighted average cost of capital for the Exceet Group, which was determined by taking into consideration an optimal equity and debt capital structure, the risk-free rate of return for long-term government securities, specific industry risks, size premiums, company risks as they relate to the Exceet Group, and the Exceet Group's historical weighted average cost of debt shown in its historical audited financial statements.

Based on such assumptions and methodology, and after performing a series of sensitivity analyses to measure the impact of changes in the underlying assumptions and discount rate, the Company calculated an enterprise value range for the Exceet Group and concluded that the bottom of the range was well above the 80% Threshold.

Comparable Companies Method

The comparable companies method analysis is a market approach which compares the trading multiples of publicly traded companies that are similar with respect to business model, operating sector, size or target market. The Company reviewed the universe of publicly-traded companies and identified 15 companies to use as guideline companies for purposes of the valuation. Although the Company did not believe any of these companies was directly comparable to or qualified as direct peers for the Exceet Group, the Company believed investors might take them into account in valuing the Exceet Group. The Company considered a variety of multiples including 2011e EV/EBITDA multiples and 2011e EV/EBIT multiples, and determined that the 2011e EV/EBITDA multiples of the guideline companies provided the most material indications of value for the Exceet Group. The implied enterprise value for the Exceet Group derived from the application of the 2011e EV/EBITDA multiples of the 3 following groups of companies was well in excess of the 80% Threshold. The companies analyzed and the average 2011e EV/EBITDA multiples at May 30, 2011 were:

- Guideline companies for the mass component manufacturers: SMT, TTM Tech, Benchmark, CTS, Fabrinet, Flextronics, Jabil. These companies were trading at 6.9x 2011e EBITDA at May 30, 2011.
- Guideline companies for the specialty products mid-size series manufacturers: Advantech, Data Respons, Kontron, Gemalto, Smartrac, Zebra. These companies were trading at 8.8x 2011e EBITDA at May 30, 2011.
- Guideline companies for the specialty products small series makers: Mercury, Nedap. These companies were trading at 9.5x 2011e EBITDA at May 30, 2011.

As noted above, the Company believes that none of the guideline companies is identical or directly comparable to the Exceet Group. Accordingly, the Exceet Group considered the multiples for the utilized companies, taken as a whole, to be more relevant than the multiples of any single utilized company. Although the Company noted several positive attributes of Exceet Group AG relative to the Guideline Companies, including a higher than average EBITDA margin for the periods evaluated, the Company did not adjust the average multiples upward in evaluating the 80% Threshold. This factor did, however, influence the Board of Directors' conclusion

that the purchase price is attractive relative to the implied valuations See “*The Company’s Board of Directors’ Reasons for the Acquisition*”. Furthermore, an analysis of publicly-traded companies is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading of such companies.

The projections and other information provided to the Company by the Exceet Group included forward-looking statements and projections and were based upon a variety of assumptions, including the Exceet Group’s ability to achieve its strategic goals, objectives and targets over the applicable periods. These assumptions involve judgments with respect to future economic, competitive and regulatory conditions, financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Exceet Group’s control. Many important factors, in addition to those discussed elsewhere in this proxy statement, could cause the Exceet Group’s results to differ materially from those expressed or implied by these forward-looking statements. Accordingly, the Company cannot assure you that the projections and assumptions on which the Company based its conclusion that the 80% Threshold was met are in fact indicative of the Exceet Group’s future performance or that actual results will not differ materially from such projections.

The Share Purchase Agreement

The following summary describes the material provisions of the Share Purchase Agreement. This summary may not contain all of the information about the Share Purchase Agreement that is important to you. The following summary is qualified in its entirety by reference to the complete text of the Share Purchase Agreement. The Share Purchase Agreement is attached to this proxy statement as Annex I and is incorporated by reference into this proxy statement, and the Company encourages you to read it carefully in its entirety for a more complete understanding of the Share Purchase Agreement and the Transaction.

The Share Purchase Agreement has been attached to this proxy statement to provide information regarding the terms of the Transaction. Except for its status as the contractual document that establishes and governs the legal relations among the Company and the other parties thereto with respect to the Transaction, the Share Purchase Agreement is not intended to be a source of factual, business or operational information about the parties.

The Share Purchase Agreement contains representations, warranties and covenants that the respective parties made to each other as of the date of the Share Purchase Agreement or other specific dates. The assertions embodied in those representations, warranties and covenants were made for purposes of the contract among the respective parties and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating the Share Purchase Agreement. Some of the representations and warranties in the Share Purchase Agreement are also modified in part by the underlying disclosure exhibits, which are not available publicly and which are subject to a contractual standard of materiality different from that generally applicable to Shareholders, and were used for the purpose of allocating risk among the parties rather than establishing matters of fact. The Company does not believe that these exhibits contain information that is material to the vote on the proposals at the Extraordinary General Meeting and the Special Meeting.

Acquisition Structure and Consideration

On June 7, 2011, the Company and Helikos AG entered into the Share Purchase Agreement with the Sellers and Exceet Group AG, pursuant to which, among other things, through a series of transactions, Helikos AG (a newly formed wholly owned subsidiary of the Company incorporated in Switzerland) will acquire all issued and outstanding ordinary registered shares in Exceet Group AG.

Acquisition

At the closing of the Transaction, Helikos AG will acquire from the Sellers all then issued and outstanding ordinary registered shares of Exceet Group AG. In connection with such acquisition, the parties agreed that Helikos AG shall acquire (i) 17,232,947 ordinary registered shares in Exceet Group AG by purchasing such shares directly from the Sellers, and (ii) 8,295,093 ordinary registered shares in Exceet Group AG indirectly from the Sellers following a capital increase in kind of the Company (by way of a contribution by the Sellers of such 8,295,093 ordinary registered shares in Exceet Group AG to the Company against the issuance by the Company to the Sellers of 3,069,736 new Public Shares and the Earnout Shares) and the subsequent transfer of such 8,295,093 ordinary registered shares in Exceet Group AG by the Company to Helikos AG.

Cash Contribution

Immediately following (i) the transfer by the Sellers of the 17,232,947 ordinary registered shares in Exceet Group AG to Helikos AG, and (ii) the transfer by the Company of the 8,295,093 ordinary registered shares in Exceet Group AG to Helikos AG, the Company will pay to Exceet Group AG by way of a cash contribution an amount equal to €85 million less (i) the amount of the additional cash payment required to be made by the Company in connection with the amendment of the Public Warrants (such amount not to exceed €12.5 million), (ii) the amount required to be paid by the Company in respect of certain bank fees incurred by Ventizz (such amount not to exceed €1.5 million, (iii) the aggregate amount of the cash payments to be made by the Company to repay certain shareholder loans, and (iv) the amount (up to €51.3 million) required to be paid by the Company for Public Shares which the holders thereof have validly tendered for redemption in accordance with the current Articles of the Company (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised), and Exceet Group AG shall allocate such amount to its capital reserves.

Repayment of Shareholder Loans

In connection with the Transaction, the Company shall repay in full (including interest and any other amounts accrued) on behalf of, and without recourse to, and with debt-discharging effect for, Exceet Card Group AG, the vendor loan in the nominal amount of €4.35 million granted to Exceet Card Group AG by Mr. Robert Wolny. Subject to certain conditions set forth in the Share Purchase Agreement, in connection with the Transaction, the Company shall further repay (including interest and any other amounts accrued) on behalf of, and without recourse to, and with debt-discharging effect for, (i) Exceet Group AG, the subordinated shareholder loan in the nominal amount of €1.05 million granted to Exceet Group AG by Ventizz; and (ii) Exceet Card Group AG, the subordinated shareholder loan in the nominal amount of €5 million granted to Exceet Card Group AG by Ventizz.

Amendments to the Public Warrants

In connection with the Transaction, the terms and conditions of the Public Warrants shall be amended to provide for, *inter alia*, modified exercise terms, and the Company shall make the cash payment contemplated in connection with such amendment to the holders of the Public Warrants (pro rata based on their respective holdings of Public Warrants) in an aggregate amount not to exceed €12.5 million.

Founder Transactions

In connection with the Transaction (i) the terms and conditions of the Class B2 and B3 Founding Shares will be amended to provide for modified conversion terms, (ii) all 10,000,000 Founding Warrants will be redeemed and subsequently cancelled (following the amendment of the terms and conditions thereof permitting such redemption and subsequent cancellation), and (iii) 1,000,000 new Class B4 Founding Shares will be issued by the Company to the Founders against contribution in cash of the full amount of such redemption proceeds.

For a more detailed description of the securities of the Company to be issued in the Transaction, please see the section entitled "*Description of the Securities*".

Consideration to the Sellers

In connection with the Transaction, the Sellers, in exchange for their sales of all then issued and outstanding 25,528,040 ordinary registered shares in Exceet Group AG to Helikos AG, will receive in the aggregate:

- for the sale of 17,232,947 ordinary registered shares in Exceet Group AG, cash consideration in a total amount of €110.5 million; and
- for the sale of 8,295,093 ordinary registered shares in Exceet Group AG, stock consideration comprising (i) 3,069,736 new public shares of the Company of the same class as the Public Shares, and (ii) 9,000,000 Earnout Shares, consisting of 3 million Class C1 Earnout Shares that convert into Public Shares based on a Daily VWAP threshold of €12 per Public Share, 3 million Class C2 Earnout Shares that convert into Public Shares based on a Daily VWAP threshold of €13 per Public Share, and 3 million Class C3 Earnout Shares that convert into Public Shares based on a Daily VWAP threshold of €15 per Public Share.

The consideration to the Sellers is not subject to an adjustment mechanism.

Completion and Effectiveness of the Transaction

The closing of the Transaction will occur on the fourth business day after all of the conditions to completion of the Transaction contained in the Share Purchase Agreement (including approval of the Shareholder Proposals and the Warrant Amendment Proposal), are satisfied or waived (if waivable).

Directors and Officers

The Share Purchase Agreement provides that effective immediately upon the closing of the Transaction, the number of members of the Board of Directors of the Company will be reduced from seven to six members and the number of members of the administrative board (*Verwaltungsrat*) of Exceet Group AG will be increased from three to six members.

Representations and Warranties

The Share Purchase Agreement contains a number of representations and warranties made by the Sellers, Exceet Group AG, the Company and Helikos AG. These representations and warranties have been issued as of specific dates. The statements embodied in those representations and warranties were made for purposes of the Share Purchase Agreement between the parties and are subject to qualifications and limitations agreed by the parties in connection with negotiating the terms of such contract, may or may not be accurate as of the date they were made, and do not purport to be accurate as of the date of this proxy statement.

The representations and warranties of the Sellers will survive the closing of the acquisition for five years following the closing and relate to, among other things:

- due organization and corporate power and authority;
- authorization and validity of the Share Purchase Agreement;
- no proceedings or conflicts;
- the ownership of the shares in Exceet Group AG;
- the absence of certain actions between April 1, 2011 and the date of signing; and
- information on Sellers in proxy statement true and not misleading.

The representations and warranties of Exceet Group AG relate to, among other things:

- due organization of the members of the Exceet Group and power of Exceet Group AG;
- authorization and validity of the Share Purchase Agreement;
- no proceedings or conflicts;
- no other equity interests in any of the members of the Exceet Group;
- the absence of certain actions between April 1, 2011 and the date of signing;
- no intercompany agreements;
- no liquidation or insolvency of any of the members of the Exceet Group;
- financial statements;
- no material adverse effect since April 1, 2011;
- no undisclosed liabilities;
- leased and owned real property;
- material assets;
- intellectual property;
- certain material contracts;
- customers and suppliers;
- environmental matters;
- compliance with applicable laws and permits;

- the absence of legal proceedings;
- absence of requests to repay subsidies;
- information on Exceet Group AG and the members of the Exceet Group in proxy statement true and not misleading;
- accurate disclosure.

The representations and warranties of the Company and Helikos AG will survive the closing of the acquisition for six months following the closing and relate to, among other things:

- due organization and power;
- authorization and validity of the Share Purchase Agreement;
- no proceedings or conflicts;
- the Escrow Account;
- valid issuance of the new Public Shares and Earnout Shares
- no undisclosed liabilities;
- conduct of business since April 1, 2011.

Materiality and Material Adverse Effect

Some of the representations and warranties are qualified by materiality and material adverse effect qualifications. The definition of “material adverse effect” is any event, circumstance or change which, individually or collectively, has, or would reasonably be expected to have, a material adverse effect amounting to no less than (i) €15 million on the Exceet Group’s shareholder’s equity, business or assets, or (ii) €5 million on the Exceet Group’s financial condition or results of operations, in each case, whether or not arising in the ordinary course of business, or any other effect which could impair the ability of the Sellers to consummate, or could otherwise materially adversely affect, the transactions contemplated hereunder; provided, however, that any change or effect arising out of (a) general economic conditions (including general developments of capital markets) or conditions affecting companies generally in the industries in which the Exceet Group operates, or (b) any change after the date hereof in applicable laws or interpretations thereof, shall be excluded.

Interim Covenants Relating to Conduct of Business

Each of the Sellers and, to the extent permissible under applicable law, Exceet Group AG agrees that, except as permitted, required or specifically contemplated by the Share Purchase Agreement, or as otherwise consented to in writing by the Company, during the period from date of the Share Purchase Agreement until the Consummation Date

- the businesses of each member of the Exceet Group shall be conducted in the ordinary course of business consistent with past practice;
- neither any of the Sellers nor any member of the Exceet Group shall (A) amend the articles of association, bylaws, or similar constitutional documents of any member of the Exceet Group, (B) issue, deliver or sell, redeem or authorize the issuance, delivery, redemption or sale of, any capital stock or other equity interests of any member of the Exceet Group, or (C) amend (including, but not limited to, by way of a split, subdivision, combination or other reorganization) any term of any outstanding capital stock or other equity interests of any member of the Exceet Group;
- no member of the Exceet Group shall declare, set aside or pay any dividend or distribution or other capital return in respect of its equity interests except in respect of any dividends, distributions or returns paid from one member of the Exceet Group to another member of the Exceet Group;
- no member of the Exceet Group shall change its auditor and, except as required or permitted by the relevant generally applicable accounting principles, materially change any accounting methods, principles or practices;
- no member of the Exceet Group shall dispose of any material fixed assets or, except in the ordinary course of business, enter into, terminate or materially modify any material contract;
- no member of the Exceet Group shall (i) acquire by merger or consolidation with, or merge or consolidate with, or purchase substantially all of the equity interests or assets of, or otherwise acquire, whether in a single transaction or series of related transactions, any material business of any corporation, partnership, association or other business organization or division thereof, or (ii) be wound-up or liquidated;

- no member of the Exceet Group shall (A) make any loans, advances, capital commitments or guarantees for the benefit of any third party, in excess of €50,000.00 individually or €100,000.00 in the aggregate, (B) create, incur or assume any debt in excess of an aggregate of €100,000.00, (C) make any capital expenditures in excess of €50,000.00 individually or €100,000.00 in the aggregate, or (D) cancel any third party indebtedness in excess of €50,000.00 in the aggregate owed to the Exceet Group;
- except for the renewal or extension of the service agreement of the vice president marketing of the Exceet Group, no member of the Exceet Group shall make any material change in the terms and conditions of employment of any of its (i) directors, (ii) officers, or (iii) groups of senior employees as a whole or in a material part;
- no member of the Group shall settle any action, suit, investigation or other proceeding involving payment by any member of the Exceet Group of money damages or waiver or release of any material rights or claims in excess of €50,000.00; and
- neither any member of the Exceet Group nor any Seller shall agree with any third party, whether in writing or otherwise, to do any of the foregoing.

In addition, each of the Sellers and Exceet Group AG agrees that neither any member of the Exceet Group nor any Seller shall, during the period from the date of the Share Purchase Agreement until the Consummation Date, undertake any other action that would be reasonably likely to materially adversely impede the consummation of the Transaction.

Furthermore, except as required or specifically contemplated by the Share Purchase Agreement, or as otherwise consented to in writing by the Company and Helikos AG, each of the Sellers and Exceet Group AG agrees that neither any member of the Exceet Group nor any Seller shall, during the period from the date of the Share Purchase Agreement until the Consummation Date, conduct, create, permit, consent to or approve of any of the following acts:

- any dividend or other distribution or return of capital (whether by reduction of capital or purchase of shares) to any Seller;
- any transfer or surrender of any asset to, or assumption of or indemnification from any liability (including, without limitation, any indebtedness, expenses or costs) for the benefit of any Seller;
- any waiver or release of any claims in favor of any Seller;
- any levy of any management charge or fee of any nature or payment of outstanding loan amounts or reimbursement of costs or expenses by, or for the benefit of, any Seller; or
- any agreement or arrangement, after the date of the Share Purchase Agreement but before closing having an effect post closing, with any Seller or any of its partners or shareholders to give effect to any of the foregoing.

Additional Covenants

The Share Purchase Agreement also contains additional covenants of the parties, including covenants providing for:

- the provision of reasonable access to properties, books and records of each member of the Exceet Group during the period from the date of the Share Purchase Agreement until the Consummation Date;
- the protection of confidential information of the parties;
- the prior written consent of the other parties before any party making any public disclosure pertaining to the existence, subject matter and contents of the Share Purchase Agreement, except as required by law, official directive or by applicable stock exchange regulations; provided that the respective other parties shall be consulted to the extent legally admissible;
- the Company to use its reasonable best efforts to cause the new Public Shares (and, upon their conversion into Public Shares, the Earnout Shares) to be admitted to listing on the regulated market of the Frankfurt Stock Exchange and on the sub-segment thereof with additional post-admission obligations (Prime Standard) as soon as practicable after the issuance thereof; and Exceet Group AG to cooperate with the Company with respect to the preparation of any disclosure relating to the Exceet Group to be included in any securities prospectus of the Company which may have to be prepared and filed in respect of such listing;

- prohibitions against the solicitation by any Seller or Exceet Group AG of any person concerning any sale of a significant portion of the assets of any member of the Exceet Group or merger or sale of their respective equity interests in any member of the Exceet Group, any recapitalization of any member of the Exceet Group or similar transaction with respect to any member of the Exceet Group or their respective businesses;
- the Company to (i) cause this proxy statement to be made available to the holders of the Public Shares, (ii) ensure that, for purposes of obtaining the Shareholder Approval, an extraordinary general meeting of Shareholders of the Company will be duly convened and held on or prior to July 8, 2011, and (iii) if the quorum required under applicable law and the current Articles of the Company to validly pass the resolutions approving the Transaction or adopting the amended Articles of the Company is not satisfied at such general meeting of Shareholders, ensure that a second general meeting of Shareholders will be duly convened and held without undue delay;
- the Company to propose to the holders of the Public Shares that Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Mr. Ulrich Reutner, Mr. Hans Hofstetter, Dr. Hagen Hultzsich and Mr. Thomas Brauchli shall be appointed as members of the board of directors of the Company;
- the Company to ensure that, for purposes of obtaining the approval of the Warrant Amendment Proposal, a special meeting of the holders of the Public Warrants will be duly convened and held on or prior to the date of the general meeting of Shareholders of the Company;
- certain selling restrictions for the Sellers with respect to securities in the Company to be held by them, subject to certain exceptions;
- each Seller (other than Ventizz) not to compete with the business of the Exceet Group and not to solicit any employees, agents or representatives of any member of the Exceet Group to terminate their employment with such member of the Exceet Group, in each case subject to certain exceptions;
- for the parties to submit a joint precautionary merger control filing to the German Federal Cartel Office;
- each of the Sellers and Exceet Group AG not to (and to cause their respective Affiliates not to) take, directly or indirectly, any action which is designed to or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any securities of the Company; and
- the relevant party to notify the other parties if any of the conditions for the closing has been satisfied or any event, fact or condition occurs or exists that makes it impossible to satisfy any of such conditions.

Conditions to Closing

The consummation of the transactions contemplated by the Share Purchase Agreement is conditioned upon customary closing conditions in a transaction of this nature and all of which with the exception of the first three conditions may be jointly waived in writing by the Sellers, the Company and Helikos AG, including:

- the approval by the Shareholders of the Company of the Transaction and the adoption of the Shareholder Proposals;
- the number of outstanding Public Shares validly tendered for redemption by the holders thereof (excluding (i) any Public Shares in respect of which requests by such holders for redemption have been validly withdrawn, and (ii) any Public Shares purchased under the Founders' Purchase Option) shall represent less than 35% of the number of all outstanding Public Shares;
- the written approval of the Warrant Amendment Proposal by a majority of the holders of the Public Warrants;
- the amount of the cash contribution to be made to Exceet Group AG shall equal at least €15 million;
- the absence of any law, injunction, restraining order or decree of any nature that restrains or prohibits the consummation of the Transaction;
- the delivery of a valuation report by a Luxembourg independent auditor confirming that the aggregate value of the shares in Exceet Group AG to be contributed to the Company is at least equal to the aggregate accounting par value and any premium of the Public Shares and the Earnout Shares to be issued to the Sellers;
- the Shareholders Agreement shall have been executed by the Shareholder Parties and not been terminated by any Shareholder Party (other than for cause set by any other Shareholder Party);

- merger control clearance or approval or confirmation that no merger control filing is required in relation to the Transaction in Germany has been obtained or the relevant waiting period has expired.

In addition, the obligations of the Company and Helikos AG to consummate the Transaction are subject to the following additional conditions, unless jointly waived in writing by the Company and Helikos AG:

- The issued and outstanding share capital of Exceet Group AG shall (following a stock split) have been increased by way of a contribution in kind by certain Sellers to Exceet Group AG of all of their shares of exceet Card Group AG against the issuance of new registered shares of Exceet Group AG to the Sellers (other than Ventizz);
- Each Seller and Exceet Group AG shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions contained in the Share Purchase Agreement, to be performed or complied with by each of them prior to or on the Consummation Date;
- The representations and warranties of the Sellers shall be true and accurate in all material respects as of the Consummation Date (except for those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate as of such date or with respect to such period);
- The representations and warranties of Exceet Group AG shall be true and accurate as of the Consummation Date (except for those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate as of such date or with respect to such period, and except to the extent that the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, have a material adverse effect);
- Since the date of the Share Purchase Agreement, the business of the Exceet Group has been conducted in the ordinary course consistent with past practice, and there shall not have been any event, development, change or effect that has, or is reasonably likely to have, a material adverse effect;
- The delivery by each Seller of a certificate, dated the Consummation Date, to the effect that (i) all obligations, agreements, covenants and conditions contained in the Share Purchase Agreement have been materially complied with by the Sellers, (ii) all representations and warranties of the Sellers are true and correct in all material respects as of the closing, and (iii) the transfers of the shares in Exceet Group AG to Helikos AG referred contemplated under the Share Purchase Agreement have been approved by the administrative board of Exceet Group AG;
- The delivery by the administrative board of Exceet Group AG of a certificate, dated the Consummation Date, to the effect that (i) all obligations, agreements, covenants and conditions contained in the Share Purchase Agreement have been materially complied with by Exceet Group AG, (ii) all representations and warranties of Exceet Group AG are true and correct in all material respects as of the closing, and (iii) the business of the Exceet Group has been conducted in the ordinary course consistent with past practice, and there shall not have been any event, development, change or effect that has, or is reasonably likely to have, a material adverse effect;
- The delivery to the Company of evidence that each lender under financing arrangements between such lender and any member of the Exceet Group, as borrower, individually exceeding €3 million has irrevocably waived in writing its right to accelerate any loan, or cancel any commitment, granted thereunder, in each case whether whole or in part, based on the consummation of any one or more of the transactions contemplated under the Share Purchase Agreement; and
- The delivery to the Company on the day of publication of this proxy statement of (i) a confirmation letter issued by PricewaterhouseCoopers AG, Zurich, with respect to the financial statements and other financial data of the Exceet Group to be included in this proxy statement, (ii) a legal opinion issued by Lenz & Staehelin with respect to certain Swiss law matters, and (iii) a disclosure letter issued by Latham & Watkins with respect to the disclosure relating to the Exceet Group to be included in the proxy statement, each dated as of such date and in form and substance as agreed with the Company.

In addition, the obligations of the Sellers to consummate the Transaction are subject to the following additional conditions, unless jointly waived in writing by the Sellers:

- the general meeting of Shareholders of the Company shall have appointed, subject to the occurrence, and with effect as of, the Consummation Date, Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Mr. Ulrich Reutner, Mr. Hans Hofstetter, Dr. Hagen Hultzsich and Mr. Thomas Brauchli as members of the Board of Directors of the Company;

- the agreement between the Company and the Founders amending the terms and conditions of the Founding Warrants shall have been executed and shall remain in full force and effect and all conditions for the Founder transactions (as described above) to become effective shall have been satisfied (except for the condition that the closing under the Share Purchase Agreement shall have occurred);
- each of Helikos AG and the Company shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions contained in the Share Purchase Agreement, to be performed or complied with by it prior to or on the Consummation Date;
- the representations and warranties of Helikos AG and the Company shall be true and accurate in all material respects as of the Consummation Date (except those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate in all material respects as of such date or with respect to such period); and
- the delivery by each of Helikos AG and the Company of a certificate, dated the Consummation Date, to the effect that (i) all obligations, agreements, covenants and conditions contained in the Share Purchase Agreement have been materially complied with by each of Helikos AG and the Company, and (ii) all representations and warranties of Helikos AG and the Company are true and correct in all material respects as of the closing.

Rescission

The Share Purchase Agreement may be rescinded at any time prior to the closing:

- jointly by the Sellers by giving written notice to the other parties if no general meeting of Shareholders of the Company has been duly convened and held on or prior to July 8, 2011, at which resolutions have been validly passed (i) approving the Transaction by the required majority of the votes of the Public Shares validly cast, and (ii) adopting the amended Articles of the Company by the required majority of votes validly cast, unless such resolutions have not been passed solely because the quorum required under applicable law and the current Articles of the Company to pass any or all of such resolutions was not satisfied;
- jointly by the Sellers by giving written notice to the other parties if no special meeting of the holders of the Public Warrants has been duly convened and held on or prior to July 8, 2011, at which a majority of such holders have validly approved the Warrant Amendment Proposal;
- jointly by the Sellers by giving written notice to the other parties if the closing has not occurred on or prior to September 15, 2011, unless the non-occurrence of the closing is attributable to a breach of the Share Purchase Agreement by the Sellers; or
- jointly by the Company and Helikos AG by giving written notice to the other parties, if prior to the EGM, the Company or Helikos AG becomes aware that any of the representations and warranties of Exceet Group AG is untrue or incorrect, unless the failure of such representations and warranties to be true and correct does not have, and would reasonably be expected not to have, individually or in the aggregate, a material adverse effect.

Upon rescission, the Share Purchase Agreement will become null and void and of no further force or effect (except for certain expense obligations) and the Transaction will be abandoned without further action by any of the parties to the Share Purchase Agreement.

Governing Law

The Share Purchase Agreement is governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, the Business Combination Proposal will not be implemented.

Certain Material Tax Consequences of the Transaction to the Company's Securityholders

United States Tax Considerations

Disclaimer

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of tax matters set forth in this offering memorandum was written in connection with the

promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following summary describes certain U.S. federal income tax consequences relating to the Transaction and the Warrant Amendment Proposal as of the date hereof. Except where noted, this discussion deals only with U.S. Holders (as defined below) that hold the Company's Public Shares or Public Warrants as capital assets for U.S. federal income tax purposes (generally, property held for investment). This summary does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our Public Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns 10% or more of our voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes; or
- a person whose "functional currency" is not the U.S. dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions thereunder as of the date hereof, as well as the income tax treaty between the United States and Luxembourg (the "Treaty"), and such authorities may be replaced, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. In addition, this discussion does not address the effects of any state, local or non-U.S. tax laws.

As used herein, "U.S. Holder" means a holder of our Public Shares or Public Warrants that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- otherwise subject to U.S. federal income tax on a net income basis.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our Public Shares or Public Warrants, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Public Shares or Public Warrants, you should consult your tax advisors.

The Company and each of its subsidiaries could be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. The Company's status or the status of any of its subsidiaries as a PFIC would subject U.S. Holders of our Public Shares or Public Warrants to adverse U.S. federal income tax consequences. See "*—Passive Foreign Investment Company Considerations*" below.

U.S. Holders of the Company's Public Shares or Public Warrants should consult their own tax advisors concerning the U.S. federal income tax consequences to them of the Transaction and the Warrant Amendment Proposal in light of their particular situation including their eligibility for the benefits of the Treaty, as well as any consequences arising under the laws of any other taxing jurisdiction.

Tax Treatment provided the Company is not a PFIC

The U.S. federal income tax consequences to a U.S. Holder of the Company's Public Shares or Public Warrants will depend on whether the Company, or any of its subsidiaries, are PFICs. The following discussion will apply provided the Company is not a PFIC.

Tax Consequences of the Transaction to U.S. Holders of the Company's Public Shares

U.S. Holders that do not Exercise their Redemption Rights

The Transaction will be treated as an acquisition of Exceet Group AG by Helikos AG. U.S. Holders who do not exercise their redemption rights will not recognize any gain or loss in connection with the Transaction (other than in connection with the Warrant Amendment Proposal).

U.S. Holders that Exercise their Redemption Rights

The redemption of Public Shares by a U.S. Holder for cash pursuant to the Transaction will be a taxable transaction for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder may vary depending upon the U.S. Holder's particular facts and circumstances. Under Section 302 of the Code, the sale of Public Shares by a stockholder for cash pursuant to the Transaction will be treated as a "sale or exchange" of Public Shares for U.S. federal income tax purposes, rather than as a distribution with respect to the Public Shares held by the tendering U.S. Holder, if the sale (i) results in a "complete termination" of the U.S. Holder's equity interest in us under Section 302(b)(3) of the Code, (ii) is a "substantially disproportionate" redemption with respect to the U.S. Holder under Section 302(b)(2) of the Code, or (iii) is "not essentially equivalent to a dividend" with respect to the U.S. Holder under Section 302(b)(1) of the Code, each as described below (the "Section 302 Tests").

The receipt of cash by a U.S. Holder will be a "complete termination" if either (i) the U.S. Holder owns none of our Public Shares either actually or constructively (including by holding the Public Warrants) immediately after the Public Shares are sold pursuant to the Transaction, or (ii) the U.S. Holder actually owns none of our Public Shares immediately after the sale of Public Shares pursuant to the Transaction and, with respect to Public Shares constructively owned by the U.S. Holder immediately after the Transaction, the U.S. Holder is eligible to waive, and effectively waives, constructive ownership of all such Public Shares under procedures described in Section 302(c) of the Code.

The receipt of cash by a U.S. Holder will be "substantially disproportionate" if the percentage of the Company's outstanding Public Shares actually and constructively owned by the U.S. Holder immediately following the sale of Public Shares pursuant to the Transaction is less than 80% of the percentage of the outstanding Public Shares actually and constructively owned by the U.S. Holder immediately before the sale of Public Shares pursuant to the Transaction.

Even if the receipt of cash by a U.S. Holder fails to satisfy the "complete termination" test and the "substantially disproportionate" test, a U.S. Holder may nevertheless satisfy the "not essentially equivalent to a dividend" test if the U.S. Holder's surrender of Public Shares pursuant to the Transaction results in a "meaningful reduction" in the U.S. Holder's interest in us. Whether the receipt of cash by a U.S. Holder will be "not essentially equivalent to a dividend" will depend upon the U.S. Holder's particular facts and circumstances. The IRS has indicated in published rulings that even a small reduction in the proportionate interest of a small minority stockholder in a publicly held corporation who exercises no control over corporate affairs may constitute a "meaningful reduction."

Special "constructive ownership" rules will apply in determining whether any of the Section 302 Tests has been satisfied. A U.S. Holder must take into account not only the Public Shares that are actually owned by the U.S. Holder, but also Public Shares that are constructively owned by the U.S. Holder within the meaning of Section 318 of the Code. Very generally, a U.S. Holder may constructively own Public Shares actually owned, and in some cases constructively owned, by certain members of the U.S. Holder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the U.S. Holder has an equity interest, as well as Public Shares the U.S. Holder has an option to purchase, which would include the Public Warrants.

U.S. Holders should consult their own tax advisors regarding the application of the three Section 302 Tests to their particular circumstances, including the effect of the constructive ownership rules on their sale of Public Shares pursuant to the Transaction.

Sale or Exchange Treatment. If the redemption of your Public Shares is treated as a sale or exchange under the Section 302 Tests described above, you will recognize taxable gain or loss on such redemption in an amount equal to the difference between the amount realized for the Public Shares and your adjusted tax basis in the Public Shares. Such gain or loss will generally be capital gain or loss. Capital gains of non-corporate shareholders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by you will generally be treated as U.S. source gain or loss.

A U.S. Holder that receives non-U.S. currency from a sale, exchange or other disposition of the Company's shares generally will realize an amount equal to the U.S. dollar value of such non-U.S. currency on the date the shares are disposed of. However, if the shares are treated as being "traded on an established securities market," a cash basis or electing accrual basis taxpayer will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. If an accrual basis U.S. Holder makes the election described above, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder will have a tax basis in any non-U.S. currency received in respect of the sale, exchange or disposition of its shares equal to its U.S. dollar value calculated at the exchange rate in effect on the date of such sale, exchange or other disposition (or in the case of a cash basis or electing accrual basis taxpayer the exchange rate in effect on the date of the receipt). Any gain or loss recognized upon a subsequent disposition of non-U.S. currency will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

Distribution Treatment. If the redemption of your Public Shares is not treated as a sale or exchange under the Section 302 Tests described above, it will be treated as a taxable dividend to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such income will be includable in your gross income as ordinary income on the day actually or constructively received by you. To the extent the amount of such distribution exceeds such current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of such U.S. Holder's adjusted tax basis in such shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale or exchange of such shares. Since the Company has not maintained, and does not plan to maintain, calculations of its earnings and profits for U.S. federal income tax purposes, a U.S. Holder may not be able to establish that a distribution is not paid out of earnings and profits for U.S. federal income tax purposes. Each U.S. Holder should consult its own tax adviser with respect to the appropriate U.S. federal income tax treatment of any distribution on the Company's shares.

The U.S. dollar value of any distribution on the Company's shares made in a non-U.S. currency should be calculated by reference to the exchange rate between the U.S. dollar and such non-U.S. currency in effect on the date of receipt of such distribution by the U.S. Holder, regardless of whether the non-U.S. currency so received is in fact converted into U.S. dollars. If the non-U.S. currency so received is converted into U.S. dollars on the date of receipt, such U.S. Holder generally should not recognize foreign currency gain or loss on such conversion. If the non-U.S. currency so received is not converted into U.S. dollars on the date of receipt, such U.S. Holder will have a basis in the non-U.S. currency equal to the U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of such non-U.S. currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

Distributions treated as dividends that are received by certain non-corporate U.S. Holders (including individuals) through taxable years beginning on or before December 31, 2012 from "qualified foreign corporations" generally qualify for a 15% reduced maximum tax rate so long as certain holding period and other requirements are met. A non-U.S. corporation (other than a PFIC with respect to a U.S. Holder) generally will be considered to be a qualified foreign corporation if it is eligible for the benefits of a comprehensive income tax treaty with the United States that the Secretary of the Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program. The Treaty as in effect meets these requirements. However, the Company does not expect to meet the requirements to be eligible for the benefits of the Treaty for the current year, and therefore, does not expect to be treated as a qualified foreign corporation for such purpose, in which case, dividends paid on the Company's Shares would not qualify for the reduced rate.

Tax Consequences of the Transaction to U.S. Holders of the Company's Public Warrants

If a U.S. Holder receives cash in exchange following the amendment of the U.S. Holder's Public Warrants pursuant to the Warrant Amendment Proposals, such U.S. Holder will recognize capital gain or loss with respect to the Public Warrants in an amount equal to the difference between (i) the cash received and the fair market

value of the modified Public Warrants and (ii) the U.S. holder's adjusted tax basis in the Public Warrants. Such gain or loss will generally be treated as long-term capital gain or loss if the Public Warrant was held by the U.S. Holder for more than one year at the time of such disposition. Capital gains of non-corporate U.S. Holders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by you will generally be treated as U.S. source gain or loss.

A U.S. Holder that receives non-U.S. currency in exchange for the amendment of the U.S. Holder's Public Warrants pursuant to the Warrant Amendment Proposals generally will realize an amount equal to the U.S. dollar value of such non-U.S. currency on the date the Public Warrants are disposed of. However, if the Public Warrants are treated as being "traded on an established securities market," a cash basis or electing accrual basis taxpayer will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. If an accrual basis U.S. Holder makes the election described above, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder will have a tax basis in any non-U.S. currency received in respect of the sale, exchange or disposition of its Public Warrants equal to its U.S. dollar value calculated at the exchange rate in effect on the date of such sale, exchange, redemption or other disposition (or in the case of a cash basis or electing accrual basis taxpayer the exchange rate in effect on the date of the receipt). Any gain or loss recognized upon a subsequent disposition of non-U.S. currency will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

Passive Foreign Investment Company Considerations

The following discussion will apply if the Company is a PFIC at the time of the Transaction.

Special U.S. tax rules apply to companies that are considered to be PFICs. The Company will be classified as a PFIC in a particular taxable year if either

- 75% or more of its gross income for the taxable year is passive income; or
- the average percentage of the value of its assets that produce or are held for the production of passive income is at least 50%.

It is possible that the Company will be a PFIC for the current taxable year and for prior taxable years because the Company raised a substantial amount of cash from its IPO, which has been held in an Escrow Account and has earned passive income. The PFIC rules contain an exception to PFIC status for certain companies in their "start-up year." A corporation will not be a PFIC for the first taxable year the corporation has gross income if (1) no predecessor of the corporation was a PFIC; (2) the corporation satisfies the Secretary of the U.S. Treasury that it will not be a PFIC for either of the first two taxable years following the startup year; and (3) the corporation is not in fact a PFIC for either of these years. Upon completion of the Transaction, the Company does not expect to be a PFIC for future taxable years because it will have substantial operating income and assets. However, because the Transaction will occur during the Company's second taxable year, and because the asset test described above is determined based on the average value of the Company's assets held during each quarter of the taxable year, it is currently impossible to predict whether the Company would qualify for the start-up year exception.

In the event that the Company are classified as a PFIC in any year during which you hold its Public Shares or Public Warrants, including during the year of the Transaction, you generally will be subject to a special tax regime in respect of "excess distributions." Excess distributions generally will include dividends or other distributions on the Public Shares (including any cash received on exercise of a U.S. Holder's redemption rights to the extent treated as a distribution, as described under "*—U.S. Holders that Exercise their Redemption Rights*") in any taxable year to the extent the amount of such distributions exceeds 125% of the average distributions for the three preceding years or, if shorter, the investor's holding period. In addition, gain on a sale or other disposition of Public Shares or Public Warrants generally will be treated as an excess distribution.

Tax Treatment of Excess Distributions

Under the PFIC rules, a U.S. Holder will be required to allocate any excess distributions with respect to Public Shares or Public Warrants to each day during the U.S. Holder's holding period for the Public Shares or Public Warrants on a straight line basis. For this purpose, a U.S. Holder's holding period for Public Shares acquired upon an exercise of the Public Warrants generally will include the period during which the U.S. Holder owned the Public Warrants. Any portion of the excess distribution that is allocable to the current year will be included in the U.S. Holder's gross income for the current year as ordinary income. Any portion of the excess

distribution that is allocable to any other year will be taxable at the highest rate of taxation applicable to ordinary income for that year, without regard to the U.S. Holder's other items of income and loss for such year; and this tax will be increased by an interest charge computed by reference to the periods to which the tax is allocable and based on the rates generally applicable to underpayments of tax. Any such interest charge generally will be non-deductible interest expense for individual taxpayers.

Redemption of the Public Shares and Amendment of the Public Warrants

If a U.S. Holder's holding period for its Public Shares or Public Warrants (including its holding period for the Public Warrants that were exercised in exchange for Public Shares) includes any portion of a taxable year for which the Company was a PFIC, any gain realized by the U.S. Holder on redemption of the Public Shares or on amendment of the Public Warrants, will be taxed as an "excess distribution" under the PFIC rules, unless the U.S. Holder has made a QEF election or a mark-to-market election (described below) with respect to the Public Shares.

Qualified Electing Fund Election

The special PFIC rules described above for "excess distributions" will not apply to a U.S. Holder if the U.S. Holder has made a qualified electing fund or "QEF" election for the first taxable year of the U.S. Holder's holding period for the Public Shares during which the Company is a PFIC and it complies with specified reporting requirements. However, a U.S. Holder may not make a QEF election with respect to the Public Warrants. A U.S. Holder that has made a QEF election with respect to us and that elects to exercise its redemption rights, generally will be taxed as described under "*—U.S. Holders that Exercise their Redemption Rights—Sale or Exchange Treatment.*"

Mark-to-Market Election

If the Company is a PFIC, a U.S. Holder of Public Shares may elect under the PFIC rules to recognize any gain or loss on its Public Shares on a mark-to-market basis at the end of each taxable year, so long as the Public Shares are regularly traded on a qualifying exchange. The mark-to-market election under the PFIC rules is an alternative to the QEF election. The mark-to-market election under the PFIC rules may not be made with respect to the Public Warrants. If a U.S. Holder has made a valid mark-to-market election under the PFIC rules, the "excess distribution" rules will not apply to amounts received with respect to the Public Shares, and any gains on exercise of such U.S. Holder's redemption rights will be treated as ordinary income. Any losses on exercise of such U.S. Holder's redemption rights will be treated as ordinary losses to the extent of the U.S. Holder's prior net mark-to-market gains. Losses in excess of prior net mark-to-market gains will generally not be recognized.

Information reporting and backup withholding

In general, information reporting will apply to dividends in respect of our Public Shares and the proceeds from the sale, exchange or redemption of the Company's Public Shares or Public Warrants that are paid to you within the United States (and in certain cases, outside the United States), unless you establish that you are an exempt recipient such as a corporation. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a credit or a refund against your U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

German Tax Considerations

Disclaimer

The following information is of a general nature only and is based on the Company's understanding of the law and administrative practice in Germany as of the date of this document. It does not purport to be a comprehensive description of all tax considerations that might be relevant to the Shareholder Proposal or the Warrant Amendment Proposal. It is not intended, nor should it be construed, to be legal or tax advice. It contains a brief summary of the material German tax consequences with respect to the Shareholder Proposal and the Warrant Amendment Proposal and does not include tax considerations that arise from rules of general application

or that are generally assumed to be known to warrantholders and Shareholders. This summary is based on the law and administrative practice in Germany on the date of this document and is subject to any change in law that may take effect after such date. Warrantholders and Shareholders should consult their professional advisors with respect to particular circumstances and the effects of state, local or foreign laws to which they may be subject.

Warrant Amendment Proposal

Withholding Tax on Public Warrants in German Deposit Accounts

Holders of Public Warrants who are residents of Germany may be subject to German withholding tax as a result of the Warrant Amendment Proposal if their Public Warrants are deposited in a custodial account with, or administered by, a German Disbursing Agent (as defined below). The same may apply to holders of Public Warrants who are non-residents but hold their Public Warrants in a German permanent establishment.

The term “German Disbursing Agent” describes a bank or a financial services institution, including a German branch of a foreign bank or financial services institution, but excluding a foreign branch of a German bank or financial services institution, a securities trading enterprise or securities trading bank, each as defined in the German Banking Act (*Gesetz über das Kreditwesen*). The German Disbursing Agent is generally obliged to withhold tax at a rate of 25% (plus 5.5% solidarity surcharge thereon), *i.e.*, 26.375% in total, on the capital gain derived from the sale or other disposition of the Public Warrants and disbursed or credited to the holder of the Public Warrants. An exception from the withholding tax obligation may apply to German corporations or other holders to whom the Public Warrants are business assets.

The tax consequences of the Warrant Amendment Proposal under German law are not entirely clear. The Warrant Amendment Proposal may give rise to a disposition (realization event) for purposes of the withholding tax rules. In this case, the withholding tax base (*i.e.*, the capital gain) may be equal to the difference between (a) the proceeds (realization value) from the deemed exchange of the Public Warrants and (b) the holder’s cost of acquisition of the Public Warrants. The proceeds from the deemed exchange of a Public Warrant should be determined by the first or lowest stock exchange price of the modified Public Warrant on the first trading day following the amendment of the Terms and Conditions of the Public Warrants plus the cash received.

Taxation of the Warrantholders

Taxation of German residents who hold their Public Warrants as private assets

Capital gains derived from the sale or other disposition of Public Warrants by German resident individuals who hold their Public Warrants as private assets constitute taxable investment income (*Einkünfte aus Kapitalvermögen*). Investment income is generally subject to personal income tax at a flat rate of 25% (plus 5.5% solidarity surcharge thereon), *i.e.*, 26.375% in total.

If the Public Warrants are deposited in a custodial account with, or administered by, a German Disbursing Agent, the German personal income tax liability with respect to the capital gains is generally satisfied through the withholding (*Abgeltungsteuer*) by the German Disbursing Agent (see under “—*Withholding Tax*” above”).

German resident individuals can request that their investment income be subjected to personal income tax at the progressive normal rates, which range from 15% to 45% (plus 5.5% solidarity surcharge thereon), in lieu of the 25% flat tax rate, if this leads to a lower tax burden. There is an annual allowance of €801 p.a. (€ 1,602 p.a. for spouses filing a joint return) for investment income. Except for the acquisition cost and the expenses directly connected to the sale or other disposition, no further income-related expenses (*Werbungskosten*) can be deducted. Losses from the sale or other disposition of the Public Warrants can be offset against positive investment income, but not against other types of income.

Qualified Participation. It is not clear whether the 25% flat tax rate also applies to capital gains derived from the sale or other disposition of Public Warrants by a holder who holds a Qualified Participation (as defined below) in the Company. The term “Qualified Participation” describes the holding of shares as private assets by an individual, if such individual (or, in case of a gratuitous acquisition of the shares, the individual’s predecessor or predecessors) holds or has held a participation of at least 1% in the share capital at any time during the last five years prior to the sale or other disposition. In this case, capital gains from the sale or other disposition of Public Warrants may be subject to personal income tax at normal progressive rates, and not at the 25% flat tax rate. Only 60% of the capital gains would be subject to taxation. Correspondingly, only 60% of the losses from the sale or other disposition and 60% of the expenses economically connected to the sale or other disposition can be deducted (*partial-income taxation method*).

Taxation of German residents who hold their Public Warrants as business assets

In case the Public Warrants are held as business assets by a German resident, capital gains derived from the sale or other disposition of Public Warrants are not subject to the 25% flat tax rate described above. The taxation of capital gains or losses depends on whether the Public Warrants are held by a corporation, an individual (individual entrepreneur) or a partnership (entrepreneurship). Losses resulting from the sale or other disposition of the Public Warrants may qualify as losses from forward transactions (*Termingeschäfte*). As a result, they may only be deductible against gains from other forward transactions if they are not already disallowed in part pursuant to the partial-income taxation method.

Corporations. If the Public Warrants are held by a corporation, the capital gains should be fully subject to corporate income tax at 15% (plus solidarity surcharge of 5.5% thereon), *i.e.*, 15.825% in total, and municipal trade tax. Trade tax is levied at rates determined by the local municipalities and range from 7% to 17%. The participation exemption for capital gains or losses from shares should not apply to capital gains or losses derived from Public Warrants.

A corporation that holds the Public Warrants in a deposit account with a German Disbursing Agent should generally not be subject to withholding tax on capital gains derived from the sale or other disposition of the Public Warrants (see under “—*Withholding Tax*”).

Individual entrepreneurs. If the Public Warrants are business assets of an individual entrepreneur, the capital gains are subject to personal income tax at normal progressive rates and, if the Public Warrants are attributable to a German permanent establishment of such holder’s commercial business, trade tax.

Arguably, the partial-income taxation method should apply to capital gains or losses derived by the individual entrepreneur from the sale or other disposition of the Public Warrants. In this case, only 60% of the capital gains are taxable (for personal income and trade tax purposes) and only 60% of the losses from the sale or other disposition and of the expenses economically connected to such sale or other disposition are deductible.

Trade tax can be credited in accordance with a lump-sum tax credit method against the personal income tax of the individual entrepreneur. Depending on the trade tax rate imposed by the local municipalities and the personal tax situation of the holder, this may result in a full or partial credit of the trade tax.

An individual entrepreneur who holds the Public Warrants in a deposit account with a German Disbursing Agent should be able to avoid withholding tax on capital gains derived from the sale or other dispositions of the Public Warrants (see under “—*Withholding Tax*”). To this end, the individual entrepreneur must certify to the German Disbursing Agent on an officially prescribed form that income from assets held in such deposit account constitutes German business income.

Partnerships. If the Public Warrants are held by a partnership, the personal or corporate income tax is not levied at the level of the partnership but at the level of the respective partner being subject to tax in Germany. The full amount of capital gains or losses included in a corporate partner’s share in partnership profits should be subject to corporate income tax, *i.e.*, the participation exemption for capital gains or losses from shares should not apply (see “—*Corporations*” above). Capital gains or losses included in an individual partner’s share of profits are subject to personal income tax. Arguably, the partial-income taxation method should apply to such capital gains or losses (see “—*Individual entrepreneurs*” above).

If the Public Warrants are attributable to a German permanent establishment of a commercial business of the partnership, the capital gains or losses are subject to trade tax at the level of the partnership. To the extent that such capital gains or losses are included in an individual partner’s share in partnership profits, it is arguable that the partial-income taxation method should also apply for trade tax purposes.

An individual partner can generally credit the trade tax paid by the partnership and attributable to his share in the partnership profits against his personal income tax (see “—*Individual entrepreneurs*” above). This may result in a full or partial credit of the trade tax depending on the trade tax rate imposed by the local municipalities and his personal tax circumstances.

If the partnership holds the Public Warrants in a deposit account with a German Disbursing Agent, the partnership should be able to avoid withholding tax on capital gains derived from the sale or other disposition of the Public Warrants. To this end, the partnership must certify to the German Disbursing Agent on officially prescribed form that income from assets held in such deposit account constitutes German business income.

Taxation of Warrantholders that are not resident in Germany

Holders (individuals or corporations) of the Public Warrants that are not resident in Germany but hold their Public Warrants in a permanent establishment in Germany are subject to German tax on capital gains or losses from the sale or other disposition of the Public Warrants. The rules described above for German residents who hold their Public Warrants as business assets apply accordingly (see “—*Taxation of German residents who hold their Public Warrants as business assets*” above). However, a non-resident corporation that holds its Public Warrants in a deposit account with a German Disbursing Agent must certify to the German Disbursing Agent on officially prescribed form that income from assets held in such deposit account constitutes German business income if it wants to avoid withholding tax on capital gains derived from the sale or other disposition of the Public Warrants.

Shareholder Proposals

The execution, performance, delivery and/or enforcement of any of the actions following the approval of the Shareholder Proposals by the Company’s Shareholders should have no tax consequences to the Company’s Shareholders with respect to their Public Shares. This may be different for the Sellers or for the holders of the Founding Shares.

Exercise of Redemption Rights

Withholding Tax on Public Shares in German Deposit Accounts

Holders of Public Shares who are residents of Germany and hold their Public Shares in a custodial account with, or administered by, a German Disbursing Agent (as defined above under “—*Warrant Amendment Proposal —Withholding Tax*”) may be subject to German withholding tax when they vote to reject the Business Combination and elect to exercise their redemption right. The same may apply to holders of Public Shares who are non-residents but hold their Public Shares in a German permanent establishment.

If the Company redeems the Public Shares in consideration for payment of the Redemption Price, the positive difference between the Redemption Price and the holder’s cost of acquisition for the Public Shares (*i.e.*, the capital gain) may be subject to German withholding tax. The same treatment should apply if the holder sells his or her Public Shares to the Wendel Shareholder following the exercise of the Founders’ Purchase Option.

The German Disbursing Agent is generally obliged to withhold tax at a rate of 25% (plus 5.5% solidarity surcharge thereon), *i.e.*, 26,375% in total, on the capital gain derived from the sale or other disposition of the Public Shares and disbursed or credited to the holder of the Public Shares. An exception from the withholding tax may apply to German corporations or other holders to whom the Public Shares are business assets.

Taxation of the Public Shareholders

Although not entirely free from doubt, the redemption of Public Shares by the Company following the exercise of redemption rights by dissenting holders of Public Shares should be treated as a sale or other disposition (*Veräußerung*) of Public Shares by such holders. The tax treatment of the redemption of Public Shares should be the same as that of a sale of Public Shares to the Wendel Shareholder, which may result from the exercise of the Founders’ Purchase Option. However, there remains some uncertainty in this respect. By letter dated August 10, 2010 (*BMF-Schreiben vom 10. August 2010*), the German Federal Ministry of Finance repealed its guidance letter dated December 2, 1998 (*BMF-Schreiben vom 2. Dezember 1998, BStBl. I 1998, S. 1509 ff.*) regarding the treatment of the acquisition by a company of its own shares. The letter dated August 10, 2010 stipulates that the principles set forth in the letter dated December 2, 1998, pursuant to which the acquisition by a company of its own shares must be treated as an acquisition of an asset (and not as a distribution), should no longer be applied. The Federal Ministry of Finance has not yet issued any new guidance regarding the redemption of shares. **Public Shareholders are therefore urged to consult their professional advisors with respect to the tax consequences of the exercise of their redemption right.**

Taxation of German residents who hold their Public Shares as private assets.

Capital gains derived from the sale or other disposition of Public Shares by German resident individuals who hold their Public Shares as private assets constitute taxable investment income (*Einkünfte aus Kapitalvermögen*). Investment income is generally subject to personal income tax at a flat rate of 25% (plus 5.5 % solidarity surcharge thereon), *i.e.*, 26.375% in total.

If the Public Shares are deposited in a custodial account with, or administered by, a German Disbursing Agent, the German personal income tax liability with respect to the capital gains is generally satisfied through the withholding (*Abgeltungsteuer*) by the German Disbursing Agent (see under “—*Withholding Tax*” above).

German resident individuals can request that their investment income can be subjected to personal income tax at progressive normal rates, which range from 15% to 45% (plus 5.5% solidarity surcharge thereon), in lieu of the 25% flat tax rate, if this leads to a lower tax burden. There is an annual allowance of (€801 p.a. (€1,602 p.a. for spouses filing a joint return) for investment income. Except for the acquisition cost and the expenses directly connected to the sale or other disposition, no further income related expenses (*Werbungskosten*) can be deducted in determining the taxable capital gain. Losses resulting from the sale or other disposition of Public Shares are only deductible against profits from the sale or other disposition of shares in stock corporations.

Qualified Participation. The 25 % flat tax rate does not apply to capital gains derived from the sale or other disposition of Public Shares by an individual who holds a Qualified Participation in the Company. In this case, the partial-income taxation method and the normal progressive rates apply.

Taxation of German residents who hold their Public Shares as business assets.

If the Public Shares are held as business assets by a German resident, capital gains derived from the sale or other disposition of the Public Shares are not subject to the 25% flat tax rate described above. The taxation of capital gains depends on whether the Public Shares are held by a corporation, an individual (individual entrepreneur) or a partnership (entrepreneurship):

Corporations. If the Public Shares are held by a corporation, effectively 95% of the capital gains from the sale or other disposition of Public Shares are exempt from corporate income tax (including solidarity surcharge) and trade tax (*participation exemption*). The participation exemption applies irrespective of the size of the participation or the period for which the Public Shares have been held. A lump sum of 5% of the capital gains is deemed to constitute non-deductible business expense and is, therefore, subject to corporate income and municipal trade tax at the rates mentioned above (see “—*Taxation of German residents who hold their Public Warrants as business assets—Corporations*”). Losses from the sale or other disposition of Public Shares cannot be deducted for corporate income or trade tax purposes.

A corporation that holds the Public Shares in a deposit account with a German Disbursing Agent should generally not be subject to withholding tax on capital gains derived from the sale or other disposition of the Public Shares (see under “—*Withholding Tax*”).

Individual entrepreneurs. If the Public Shares are business assets of an individual entrepreneur, the partial income taxation method should apply. The taxable portion of the capital gains or losses are subject to personal income tax at normal progressive rates and, if the Public Shares are attributable to a German permanent establishment of a commercial business, additionally subject to trade tax. The trade tax can be credited in accordance with a lump-sum tax credit method against the personal income tax of the individual entrepreneur. Depending on the trade tax rate imposed by the local municipality and the personal tax situation of the holder, this may result in a full or partial credit of the trade tax.

An individual entrepreneur who holds his Public Shares in a deposit account with a German Disbursing Agent should be able to avoid withholding tax on capital gains derived from the sale or other disposition of the Public Shares (see under “—*Withholding Tax*”). To this end, the individual entrepreneur must certify to the German Disbursing Agent on an officially prescribed form that income from assets held in such deposit account constitutes German business income.

Partnerships. If the Public Shares are held by a partnership, the personal or corporate income tax is not levied at the level of the partnership but at the level of the respective partner being subject to tax in Germany. The treatment for income tax purposes depends on whether the respective partner is a corporation or an individual. If the partner is a corporation, capital gains or losses included in such partner’s share of profits will be taxed in accordance with the principles applicable to corporations (*i.e.*, the participation exemption). If the partner is an individual, the capital gains or losses included in such partner’s share of profits will be taxed in accordance with the principles applicable to individual entrepreneurs (*i.e.*, the partial-income taxation method).

The capital gains are subject to trade tax at the level of the partnership, if the Public Shares are attributable to a German permanent establishment of a commercial business of the partnership. The partial income taxation method applies to the capital gains or losses included in an individual partner's share in partnership profits and the participation exemption applies to of the capital gains or losses included in a corporate partner's share in partnership profits. An individual partner can generally credit the trade tax paid by the partnership and attributable to his share in partnership profits against his personal income tax in accordance with a lump-sum credit method, resulting in a full or partial credit of the trade tax depending on the trade tax rate imposed by the local municipality and the personal tax circumstances of the individual partner.

If the partnership holds the Public Shares in a deposit account with a German Disbursing Agent, the partnership should be able to avoid withholding tax on capital gains derived from the sale or other disposition of the Public Shares. To this end, the partnership must certify to the German Disbursing Agent on officially prescribed form that income from assets held in such deposit account constitutes German business income.

In case of capital gains or losses realized by German residents in the financial and insurance sector or by pension funds, special rules apply, which are described below under the heading “—*Special Regulations for credit institutions, financial services institutions, financial enterprises as well as life insurance and health insurance companies and pension funds*”.

Taxation of Public Shareholders that are not resident in Germany.

Public Shareholders (individuals or corporations) that are not tax resident in Germany but hold their Public Shares in a permanent establishment in Germany are subject to German tax on capital gains or losses from the sale or other disposition of Public Shares. The rules described above for German residents who hold their Public Shares as business assets apply accordingly (see “—*Taxation of German residents who hold their Public Shares as business assets*”). However, a non-resident corporation that holds its Public Shares in a deposit account with a German Disbursing Agent must certify to the German Disbursing Agent on officially prescribed form that income from assets held in such deposit account constitutes German business income if it wants to avoid withholding tax on the capital gains derived from the sale or other disposition of the Public Shares.

Special Regulations for credit institutions, financial services institutions, financial enterprises as well as life insurance and health insurance companies and pension funds.

To the extent that credit institutions and financial services institutions hold or sell Public Shares, which are attributable to the trading book pursuant to Section 1a of the German Banking Act, the partial-income taxation method and the participation exemption do not apply to capital gains or losses. This means that the full amount of capital gain or loss is subject to taxation. This also applies to Public Shares which are acquired by financial enterprises within the meaning of the German Banking Act for the purpose of realizing short-term trading profits for their own account. In case of Public Shares which are held by credit institutions, financial services institutions and financial enterprises with their registered offices in another Member State of the European Community or in another country that is party to the European Economic Area Agreement, the above applies accordingly. Capital gains or losses are also fully subject to corporate or personal income tax and, if applicable, trade tax if the Public Shares are held as capital investments by health or life insurance companies or by pension funds.

Other Taxes.

No German capital duty, transfer taxes, value added taxes, stamp taxes or similar taxes apply to the sale or other disposition of Public Shares as a result of the exercise of the redemption rights or the exercise of the Founders' Purchase Option.

Luxembourg Tax Considerations

Disclaimer

The following information is of a general nature only and is based on the Company's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this document. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to the Shareholder Proposals and the Warrant Amendment Proposal. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Warrant Amendment Proposal and may not include tax considerations that arise from rules of general application or that are generally

assumed to be known to warrantholders and Shareholders. This summary is based on the laws in force in Luxembourg on the date of this document and is subject to any change in law that may take effect after such date. Warrantholders and Shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

A reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu*), as well as a temporary crisis contribution (*contribution de crise*) generally. Corporate taxpayers may further be subject to net worth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and the temporary crisis contribution. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Reference is made to the Prospectus dated January 11, 2010 with respect to the Company's IPO for general information on the tax treatment of Shareholders and warrantholders.

Warrant Amendment Proposal

Luxembourg tax residency of the warrantholders

Investors will not become resident nor be deemed to be resident, in Luxembourg by reason only of the holding of the Public Warrants, or the execution, performance, delivery and/or enforcement of their rights thereunder including the Warrant Amendment Proposal.

Withholding tax

Cash payments by the Company to the warrantholders in the frame of the Warrant Amendment Proposal are not subject to withholding tax in Luxembourg.

Taxation of the Warrantholders

Taxation of Luxembourg non-residents

Warrantholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which the Public Warrants are attributable are not liable to any Luxembourg income tax on capital gains realized on the realization of the Public Warrants.

Warrantholders who are non-residents of Luxembourg and who have a permanent establishment or a permanent representative in Luxembourg to which the Public Warrants are attributable are liable to Luxembourg income tax on capital gains realized on the realization of the Public Warrants and may have to include this income in their taxable income for Luxembourg income tax assessment purposes.

Taxation of Luxembourg residents

Luxembourg resident individuals

Under Luxembourg domestic tax law, gains realized upon the sale, disposal or redemption of the Public Warrants, by an individual warrantholder, who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his/her private wealth, on the sale or disposal, in any form whatsoever, of the Public Warrants are not subject to Luxembourg income tax, provided (i) this sale or disposal takes place more than 6 months after the acquisition of the Public Warrants or (ii) the warrantholder did not directly or indirectly have an actual or deemed substantial participation (more than 10% of the share capital) in the Company.

Luxembourg resident individual warrantholders acting in the course of the management of a professional or business undertaking to which the Public Warrants are attributable, may have to include any gain realized on the sale or disposal of the Public Warrants, in any form whatsoever, in their taxable income for Luxembourg income tax assessment purposes.

The Warrant Amendment Proposal should trigger a realization for the purpose of the preceding sentence. Taxable gains are determined as being the difference between the realization value of the Public Warrants and their cost or book value. In the frame of the Warrant Amendment Proposal, the realization value of a Public Warrant should arguably be determined as the first stock exchange price of a Public Warrant following the amendment to the Terms and Conditions of the Public Warrants plus the cash received.

Luxembourg corporate residents

Luxembourg corporate warrantholders must include any gain realized on the sale or disposal of the Public Warrants, in their taxable income for Luxembourg income tax assessment purposes. The Warrant Amendment Proposal should trigger a realization for the purpose of the preceding sentence. Taxable gains are determined as being the difference between the realization value of the Public Warrants and their cost or book value. In the frame of the Warrant Amendment Proposal, the realization value of a Public Warrant should arguably be determined as the first stock exchange price of a Public Warrant following the amendment to the Terms and Conditions of the Public Warrants plus the cash received.

Luxembourg corporate residents benefiting from a special tax regime

Luxembourg warrantholders who benefit from a special tax regime, such as, for example, undertakings for collective investment governed by the amended laws of December 20, 2002 or of December 17, 2010, specialized investment funds governed by the amended law of February 13, 2007 or family wealth management companies governed by the law of May 11, 2007 are exempt from income taxes in Luxembourg. Gains realized on the realization of the Public Warrants are thus not subject to income taxes in their hands.

Other taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the warrantholders as a consequence of the Warrant Amendment Proposal (except in case of voluntary registration in Luxembourg).

Shareholders Proposals

Luxembourg tax residency of the Shareholders

Investors will not become resident, nor be deemed to resident, in Luxembourg by reason only of the holding of the Public Shares, or the execution, performance, delivery and/or enforcement of their rights thereunder including the Shareholder Proposals.

Other taxes

Any amendments to the Articles of the Company are subject to a €75 fixed registration duty.

Public Shareholders exercising their redemption rights

Withholding tax

Proceeds from disposal received by a Public Shareholder holding only Public Shares and disposing of all its Public Shares pursuant to the exercise of its redemption rights or the Founders' Purchase Option (a "Public Shares Disposal") will not be subject to Luxembourg withholding tax.

A Public Shareholder who exercises its redemption rights on only a portion of his/her/its Public Shares or would otherwise not dispose of all his/her/its Public Shares pursuant to the exercise of its redemption rights or the Founders' Purchase Option may be subject to Luxembourg withholding tax applicable on dividend distribution.

Under domestic law, taking into account the intention to subsequently cancel the Public Shares redeemed subject to the fulfillment of relevant corporate tax formalities, Luxembourg tax would be withheld at the rate of 15% pursuant to the redemption of Public Shares (but not pursuant to the Founders' Purchase Option) (i) if the Shareholder does not dispose of all its Public Shares pursuant to the exercise of its redemption rights or the Founders' Purchase Option and (ii) to the extent that the redemption price per Public Share exceeds the proportionate amount of fiscal capital (within the meaning of Article 97(3) of the Luxembourg income tax law) represented by the Public Shares to be redeemed.

However, subject to the provisions of an applicable double tax treaty, the rate of withholding tax may be reduced. Furthermore, a withholding exemption applies if at the time the income is made available, (i) the receiving entity is an Eligible Parent (as defined hereafter) and (ii) has held or commits itself to hold for an uninterrupted period of at least 12 months a participation of at least 10% of the share capital of the Company or a participation of an acquisition price of at least €1.2 million. An Eligible Parent includes most notably (a) a company covered by Article 2 of the amended Directive 90/435/EEC of July 23, 1990 or a Luxembourg

permanent establishment thereof, (b) a company resident in a State having a tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, (c) a company limited by shares (*société de capitaux*) or a cooperative society (*société coopérative*) resident in an European Economic Area Member State other than in an European Union Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, and (d) a Swiss company limited by share capital which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption.

Taxation of the Public Shareholders

Luxembourg resident Public Shareholders

Luxembourg resident individual Public Shareholders

Capital gains realized upon a Public Shares Disposal by a resident individual Public Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Public Shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Public Shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the Company whose shares are being disposed of. A Public Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation).

Capital gains realized upon a Public Shares Disposal by resident individual Public Shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Public Shares have been disposed of and the lower of their cost on book value.

Luxembourg resident corporate Public Shareholders

Capital gains realized by a Luxembourg fully-taxable resident company upon a Public Shares Disposal are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on the Public Shares may be exempt from income tax at the level of the Public Shareholder if (i) the Public Shareholder is an Eligible Parent (as defined below) and (ii) at the time the capital gain is realized, the Public Shareholder has held or committed itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Company or (b) a direct participation in the Company of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the Public Shares have been disposed of and the lower of their cost or book value.

An Eligible Parent includes (a) a company covered by Article 2 of the amended Directive 90/435/EEC of July 23 1990 or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, (c) a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in an European Economic Area Member State other than in an European Union Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, or (d) a Swiss company limited by share capital (*société de capitaux*) which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption

Luxembourg residents benefiting from a special tax regime

A Public Shareholder who is a Luxembourg resident company benefiting from a special tax regime, such as (i) an undertaking for collective investment governed by the amended law of December 20, 2002 or the law of December 17, 2010, (ii) a specialized investment fund governed by the amended law of February 13, 2007 or (iii) a family wealth management company governed by the law of May 11, 2007 is exempt from income tax in Luxembourg and profits derived from the Public Shares are thus not subject to Luxembourg income tax.

Luxembourg non-resident Public Shareholders

Non-resident Public Shareholders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Public Shares are attributable, are not liable to any Luxembourg income tax on realized capital gains upon a Public Shares Disposal, except capital gains realized on a substantial participation before the acquisition or within the first 6 months of the acquisition thereof, that are subject to income tax in Luxembourg at ordinary rates (subject to the provisions of a relevant double tax treaty).

Non-resident Public Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Public Shares are attributable, must include any gain realized upon a Public Shares Disposal in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime are satisfied. Taxable gains are determined as being the difference between the price for which the Public Shares have been disposed of and the lower of their cost or book value.

Anticipated Accounting Treatment of the Transaction

Accounting treatment of the Transaction

The Transaction will be accounted for by the Company using the acquisition method pursuant to IFRS 3 (rev. 2008), Business Combinations, with the Company as the acquirer. Under the acquisition method, assets and liabilities are recorded at their fair value on the date of purchase and the total purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed. The actual fair value of the total purchase consideration will vary with fluctuations in the price of the Company's Public Shares. In addition, as of the date of this document, the valuation studies necessary to finalize the fair values of the assets acquired and liabilities assumed and the related allocation of the purchase price have not been completed. Accordingly, the Company has allocated the total estimated purchase price, calculated as described in the notes to the Company's unaudited condensed combined pro forma financial statements included elsewhere in this proxy statement. A final determination of these fair values will reflect, among other things, the Company's consideration of a final valuation based on the actual net tangible and intangible assets that exist as of the completion date of the Transaction. Any final adjustment will change the allocation of the purchase price, which will affect the fair value assigned to the assets and liabilities and could result in changes to the unaudited pro forma condensed combined financial information of the Company.

Certain impacts of the Transaction

In connection with the Transaction, the Combined Group will incur a number of significant (primarily non-cash) charges, some of which are one-time charges related to the Transaction, and others which will have ongoing impacts on the Combined Group's results in future periods. Some of these charges will be of significant size relative to the historical net profit of the Exceet Group. These charges will have a significant impact on the IFRS net profit recorded by the Combined Group in 2011 and may have a significant impact in future periods. Among other things:

- The Combined Group will recognize charges in connection with the Transaction to write down the value of inventories to reflect estimated market value less cost to sell determined for purposes of the purchase price allocation to the extent the final valuation is consistent with the estimated valuation used for purposes of preparing the pro forma financial statements.
- The Combined Group will incur increased amortization expenses in future periods to the extent that the valuation performed as part of the purchase price allocation determines that step-ups are required for the carrying values of the Exceet Group's intangible assets and property plant and equipment.
- The Combined Group will incur an estimated charge of €24.9 million in connection with the Transaction relating to the treatment of the Founding Shares as share based payments made to the Founders.
- Increases in the market value of the Public Warrants, which are recorded as financial liabilities, relative to the values shown at the prior balance sheet date will result in charges for the Combined Group. The Transaction is expected to result in an increase in the per Warrant fair market value of the Public Warrants above the €0.65 per Public Warrant price used for purposes of the Company's March 31, 2011 balance sheet. Based on the valuation of the Public Warrants used to prepare the pro forma financial information, the amount of the charge resulting from the amendment of the Public Warrants in connection with the Transaction is approximately €5.0 million. Future fluctuations in the fair market value of the Public Warrants may have a significant positive or negative effect on the net profit of the Combined Group in any given accounting period.

- The Combined Group expects to record a significant amount of goodwill in connection with the Transaction. Under applicable accounting standards, the Combined Group will be required to evaluate the goodwill for future impairment on at least an annual basis. If the business of the Exceet Group performs less favorably than expected, the Combined Group may be required to write down some of the goodwill recorded, which could result in substantial charges in the period where such write-down occurred.
- The Combined Group will incur estimated direct attributable Transaction costs of €7.9 million of Helikos and €1.2 million of Exceet Group AG. Under IFRS 3, these costs are not included as part of the consideration for purposes of the purchase price allocation.

Regulatory Matters

German merger control. The proposed acquisition of Exceet Group AG by Helikos AG and the proposed acquisition of shares in the Company by Ventizz are potentially subject to a merger control filing and clearance requirement in Germany. The statutory review period for a Phase I merger investigation in Germany is one calendar month from filing (the German Federal Cartel Office also may grant clearance earlier). At the end of this period, the German Federal Cartel Office can only clear the Transaction unconditionally or initiate a Phase II investigation (“*Hauptprüfverfahren*”). If the FCO has not taken either of these decisions at the end of the Phase I period, the Transaction will be deemed to be cleared. The statutory deadline for the conclusion a Phase II investigation (which can end with unconditional clearance, clearance subject to conditions and/or obligations, or a prohibition of the transaction) is four calendar months from submitting the notification, unless the notifying parties and the German Federal Cartel Office agree on an extension of the review period. In the parties’ view, the Transaction does not raise any competitive concerns and they therefore expect Phase I clearance.

CSSF exemption from the obligation to launch a mandatory takeover bid. The Sellers and/or the Founders alone or acting in concert will acquire control of the Company within the meaning of Article 5(1) of the Takeover Law upon consummation of the Transaction. The Sellers and/or the Founders are expecting to be granted an exemption the CSSF from the obligation to launch a mandatory takeover bid pursuant to Article 4(5) of the Takeover Law.

Pro Forma Financial Information

The Company has prepared pro forma financial statements giving effect to the proposed Transaction. In considering the Transaction, you are encouraged to review these financial statements, which begin on page F-2 of this proxy statement.

Consequences of the Business Combination Proposals is not approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Business Combination Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of 25% of the outstanding Public Shares on the record date is required to vote upon the Business Combination Proposal at the Extraordinary General Meeting; if the EGM is convened, but this requirement is not met, the Extraordinary General Meeting will not be able to deliberate upon the Proposal, and a second meeting will be convened to take place at least 30 days thereafter for which the foregoing quorum requirement would not be applicable.

The affirmative vote of at least a majority of the Public Shares validly cast at the Extraordinary General Meeting of Shareholders is required to approve the Business Combination Proposal.

Even if the Business Combination Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as “present” at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company’s Board of Directors

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE “FOR” THE BUSINESS COMBINATION PROPOSAL.

THE NAME CHANGE PROPOSAL

Overview

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing to change its name from “Helikos SE” to “exceet Group SE”, with effect at the consummation of the Transaction. If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Name Change Proposal will not be implemented.

In the judgment of the Company’s Board of Directors, the change of its corporate name is desirable to reflect the Company’s acquisition of the Exceet Group and the transition of the Company from a special purpose acquisition company to a holding company of the parent company of Exceet Group AG.

Consequences if the Name Change Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Name Change Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of (i) a majority of the outstanding Public Shares on the record date and (ii) a majority of the outstanding Founding Shares on the record date is required to vote upon the Name Change Proposal at the Extraordinary General Meeting. The approval of the Name Change Proposal requires the affirmative vote of not less than two-thirds of the votes validly cast with respect to the Public Shares, and not less than two-thirds of the votes validly cast with respect to the Founding Shares, in each case by Shareholders voting in person or by proxy at the Extraordinary General Meeting.

Even if the Name Change Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as “present” at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company’s Board of Directors

THE COMPANY’S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE NAME CHANGE PROPOSAL.

THE EARNOUT SHARES PROPOSAL

Overview

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing to approve the creation of new classes of redeemable Shares to be named “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares” (collectively the “Class C Shares” or “Earnout Shares”), with rights that are the same as those of the existing Founding Shares, except that (i) for so long as there are any Earnout Shares outstanding, the holders thereof shall have the right to propose one member for election to the Company’s Board of Directors (to be designated as “Class C Directors”) and (ii) they shall convert automatically into Public Shares under the following conditions:

- all Class C1 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class C1 Share on the date on which the per Public Share volume-weighted average price on Xetra® as reported by Bloomberg in respect of such Trading Day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Public Shares on such trading day determined by an internationally recognized investment bank selected by the Company) (the “Daily VWAP”) on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to twelve euro (€12). “Trading Day” refers to any day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business;
- all Class C2 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class C2 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to thirteen euro (€13); and
- all Class C3 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class C3 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to fifteen euro (€15).

The Board of Directors will be empowered to effect the conversion of the Earnout Shares as described above. As from the date of their conversion, the Earnout Shares shall have the same rights and obligations as the Public Shares issued from time to time.

The Earnout Shares Proposal is being presented because its approval is a condition to the consummation of the Transaction. The Earnout Shares were included as a part of the consideration for the Transaction to permit the Sellers to receive a portion of the benefits from potential increases in the price of the Public Shares after the consummation of the Transaction.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Earnout Shares Proposal will not be implemented.

Consequences if the Earnout Shares Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Earnout Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of (i) a majority of the outstanding Public Shares on the record date and (ii) a majority of the outstanding Founding Shares on the record date is required to vote upon the Earnout Shares Proposal at the Extraordinary General Meeting. The approval of the Earnout Shares Proposal requires the affirmative vote by special resolution of not less than two-thirds of the votes validly cast with respect to the Public Shares, and not less than two-thirds of the votes validly cast with respect to the Founding Shares, in each case by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Earnout Shares Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Earnout Shares Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if

35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as "present" at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company's Board of Directors

**THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE EARNOUT SHARES PROPOSAL.**

THE FOUNDING SHARES PROPOSAL

Overview

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing to approve the creation of a new class of Founding Shares to be named “Class B4 Shares” and to restate and determine the rights of the Class B2 and B3 Founding Shares, as follows:

- the Class B2, B3 and B4 Founding Shares shall automatically be converted into Public Shares under the following conditions:
 - all Class B2 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class B2 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the Consummation Date is at least equal to fourteen euro (€14);
 - all Class B3 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class B3 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the Consummation Date is at least equal to sixteen euro (€16); and
 - all Class B4 Shares will automatically convert into Public Shares at a ratio of one Public Share per Class B4 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the Consummation Date is at least equal to twelve euro (€12).

The Board of Directors will be empowered to effect the conversion of the Founding Shares as described above.

- the Founding Shares shall have the right to participate in the profits and liquidation proceeds of the Company as currently set out in the Articles; and
- the Founding Shares shall be redeemable shares in accordance with article 49-8 of the Luxembourg law of August 10, 1915 on commercial companies, as amended (the “Luxembourg Company Law”), and will be redeemed for their accounting par value within six months after the fifth anniversary of the Consummation Date if they are not previously converted.

The Public Shares received upon conversion of the Founding Shares shall have the same rights as the Public Shares issued from time to time.

In addition, for so long as there are any Founding Shares outstanding, the holders thereof shall have the right to propose one member for nomination to the Company’s Board of Directors (to be designated as “Class B Directors”).

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Founding Shares Proposal will not be implemented.

The Founding Shares Proposal is being presented because its approval is a condition to the consummation of the Transaction. The Company’s Board of Directors believes that this proposal, which will reduce the potential dilution presented by the Founding Shares and allow the elimination of the Founders Warrants and the potential dilution resulting therefrom, is in the best interests of the Company.

Consequences if the Founding Shares Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Founding Shares Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of (i) a majority of the outstanding Public Shares on the record date and (ii) a majority of the outstanding Founding Shares on the record date is required to vote upon the Founding Shares Proposal at the

Extraordinary General Meeting. The approval of the Founding Shares Proposal requires the affirmative vote by special resolution of not less than two-thirds of the votes validly cast with respect to the Public Shares, and not less than two-thirds of the votes validly cast with respect to the Founding Shares, in each case by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Founding Shares Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Founding Shares Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as "present" at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company's Board of Directors

**THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE FOUNDING SHARES PROPOSAL.**

THE AUTHORIZED CAPITAL PROPOSAL

Overview

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing to:

- reduce the authorized capital from the current amount of €7,600,000, divided into 500,000,000 Shares, to an amount of € 764,965.86, consisting of 50,326,702 Shares. Of this amount all but approximately 10.9 million Shares will be issued and outstanding following the Transaction, after giving effect to existing Shares and Shares issued as part of the Transaction. See “*Description of the Securities*”;
- limit the type of additional Shares that may be issued out of the authorized capital following the consummation of the Transaction to Public Shares; and
- renew, for a period of five years following the publication of the resolutions of the EGM, the authorization of the Board of Directors of the Company to issue Public Shares, Founding Shares, and Earnout Shares, to grant options to subscribe for Shares, and to issue any other instruments convertible into Shares within the limit of the authorized share capital, to such persons and on such terms as the Board of Directors shall see fit, and specifically to proceed to such issue without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued.

The Authorized Capital Proposal is being presented because its approval is a condition to the consummation of the Transaction. The purpose of the Authorized Capital Proposal is to reduce the authorized capital of the Company to a level the Board of Directors believes appropriate for the holding company of a group like the Combined Group after the consummation of the Transaction, and to ensure that the Board of Directors can issue the Public Shares into which the Founding Shares and Earnout Shares are convertible and for which the Public Warrants can be exercised without affording preemption rights to Shareholders. The proposed level of authorized capital also includes an additional amount that the Board of Directors believes will be sufficient to cover Public Shares that may be issued pursuant to future management incentive plans as well as a reasonable balance for small equity financed acquisitions or capital raising activities.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Authorized Capital Proposal will not be implemented.

Consequences if the Authorized Capital Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Authorized Capital Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of (i) a majority of the outstanding Public Shares on the record date and (ii) a majority of the outstanding Founding Shares on the record date is required to vote upon the Authorized Capital Proposal at the Extraordinary General Meeting. The approval of the Authorized Capital Proposal requires the affirmative vote by special resolution of not less than two-thirds of the votes validly cast with respect to the Public Shares, and not less than two-thirds of the votes validly cast with respect to the Founding Shares, in each case by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Authorized Capital Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Authorized Capital Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as “present” at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company’s Board of Directors

THE COMPANY’S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE AUTHORIZED CAPITAL PROPOSAL.

THE ARTICLES PROPOSAL

Overview

The Company is proposing to amend and restate its Articles in full, in the form of the amended Articles set forth as Annex IV, for the following primary purposes:

- To reflect the Name Change Proposal, the Earnout Shares Proposal, the Founding Shares Proposal and the Authorized Capital Proposal;
- To specify that the chairman of the Board shall cast the deciding vote in case of a tie vote at a meeting of the Board of Directors and to implement certain other corporate governance changes;
- To remove provisions from the Articles that are no longer applicable after giving effect to the consummation of the Transaction;
- To reflect certain changes to the procedures for calling and conducting shareholders' meetings in line with the Luxembourg law of May 25, 2011 implementing the European Shareholders' Rights Directive; and
- To require the Company to obtain the approval of a majority of the holders of the Founding Shares and a majority of the holders of the Earnout Shares before paying any extraordinary dividend.

The following table summarizes the principal changes that would be made to the Company's Articles pursuant to the Articles Proposal. The following is a summary only and is qualified in its entirety by the complete text of the amended Articles. Shareholders are encouraged to read the text of the amended Articles in full.

Article(s)	Description of Change
1	Change name of the Company to "exceet Group SE"
5.1	Reflect the authorization of the new class of Earnout Shares
5.2	Reflect the Authorized Capital Proposal by setting the authorized capital of the Company at €764,965.86, consisting of 50,326,702 Shares, limiting the type of additional Shares that may be issued out of the authorized capital following the consummation of the Transaction to Public Shares; and renewing, for a period of five years following the publication of the resolutions of the EGM, the authorization of the Board of Directors of the Company to issue Shares, grant options, and issue any other instruments convertible into Shares within the limit of the authorized share capital, to proceed to such issue without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued
5.3	Delete provision imposing restrictions on use of authorized capital prior to the initial Business Combination, as the Company will have completed its initial Business Combination upon consummation of the Transaction
6.3, 6.4, 6.6, 7.5	Provides for rights of beneficial owners of book-entry interests in a depository's account to exercise the rights attached to the Shares represented by such book-entry interest. Provides that Founding Shares and Earnout Shares will be in registered form
7.3	Specify transfer restrictions and exceptions therefrom (including in-kind distribution to the direct shareholders of the holder) that apply to the Earnout Shares prior to conversion into Public Shares
9.5, 9.6, 10	Update provisions of Articles relating to notices of Shareholders' meetings, requests to add items to the agenda of Shareholders' meetings, attendance at Shareholders' meetings to reflect provisions of the Shareholders' Rights Directive
(old) 14, (old) 15	Remove provisions relating to the approval of the initial Business Combination and related redemption rights, as the Company will have completed its initial Business Combination upon consummation of the Transaction
(new) 14.2, 14.3, 14.4	Implement the Founding Shares Proposal by updating the Daily VWAP conversion terms of the Founding Shares
15	Establish the conversion terms of the Earnout Shares
16	Establish the redemption provisions of the Earnout Shares
18.4	Modify the list of activities that require an express decision of the Board of Directors
19, 20.1, 23.2, 23.3, 23.7, 24	Give the chairman of the Board a casting vote, remove quorum and veto provisions relating to Class C Directors. Provide for the holders of Earnout Shares and Founding Shares, each as a class, to each have the right to propose a director for election to the Board of Directors

Article(s)	Description of Change
27.2, 28.1 29	Specify limits on dividends paid on Earnout and Founding Shares. Require consent of Founding Shares and Earnout Shares prior to making an extraordinary dividend Update liquidation provisions to treat all Shares equally post-Transaction, remove references to liquidation prior to consummation

If the Warrant Amendment Proposal or any of the Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Articles Proposal will not be implemented.

Consequences if the Articles Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Articles Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

A quorum of (i) a majority of the outstanding Public Shares on the record date and (ii) a majority of the outstanding Founding Shares on the record date is required to vote upon the Articles Proposal at the Extraordinary General Meeting. The approval of the Articles Proposal requires the affirmative vote by special resolution of not less than two-thirds of the votes validly cast with respect to the Public Shares, and not less than two-thirds of the votes validly cast with respect to the Founding Shares, in each case by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Articles Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Articles Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as “present” at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company’s Board of Directors

THE COMPANY’S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE ARTICLES PROPOSAL.

THE DIRECTORS PROPOSAL

Reasons for the Directors Proposal

Pursuant to the provisions of the Share Purchase Agreement, the Company is proposing

- to accept the resignations of Prof. Hermann Simon, Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Mr. Jean-Michel Ropert, Mr. Alain Georges, Dr. Jürgen Heraeus and Dr. Christoph Kirsch (the “Resigning Directors”) from the Board of Directors and grant discharges of liability to the Resigning Directors with respect to their service on the Board through the date of their resignation; and
- to appoint Dr. Hagen Hultsch as chairman and Mr. Ulrich Reutner, Mr. Roland Lienau, Mr. Dirk-Jan van Ommeren, Mr. Hans Hofstetter and Mr. Thomas Brauchli as Directors of the Company.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Directors Proposal will not be implemented.

The Directors Proposal is being presented because approval of the matters presented is a condition to the consummation of the Transaction.

Consequences if the Directors Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Directors Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also “*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*”.

Required Quorum and Vote

No quorum is required to vote upon the Directors Proposal at the Extraordinary General Meeting. The approval of the Directors Proposal requires the affirmative vote by special resolution of not less than a majority of the votes validly cast by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Directors Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Directors Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders’ Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as “present” at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company’s Board of Directors

THE COMPANY’S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE DIRECTORS PROPOSAL.

THE FORMALITIES PROPOSAL

Overview

The Company is proposing that the Extraordinary General Meeting grant an irrevocable power of attorney to the Board of Directors with full power of substitution, to make any statement, sign all documents, represent the Shareholders in front of a Luxembourg notary, complete any formality and do everything which is lawful, necessary or simply useful in order to give full effect to the conversion of Founding Shares and/or Earnout Shares and acknowledge and state that conditions for conversion are met, the consummation of the Business Combination has occurred or not occurred or any other condition or event set out in the Articles has occurred, and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies' Register and to any publication in the *Mémorial*.

If the Warrant Amendment Proposal and the other Shareholder Proposals are not approved, or the Transaction fails to close for any other reason, the Formalities Proposal will not be implemented.

Consequences if the Formalities Proposal is Not Approved

Each of the Shareholder Approvals and the Warrant Amendment Proposal is conditioned upon approval of the others. As a result, if the Formalities Proposal is not approved, the conditions to the consummation of the Transaction set forth in the Share Purchase Agreement will not be satisfied. In such event, the Transaction would not be completed and, unless the Company is able to consummate another business combination no later than August 4, 2012, the Company will be liquidated. See also "*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*".

Required Quorum and Vote

No quorum is required to vote upon the Formalities Proposal at the Extraordinary General Meeting. The approval of the Formalities Proposal requires the affirmative vote by special resolution of not less than a majority of the votes validly cast by Shareholders voting in person or by proxy at the Extraordinary General Meeting. The text of the Formalities Proposal to be considered at the Extraordinary General Meeting is set forth in Annex II.

Even if the Formalities Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Abstentions will be counted as "present" at the Extraordinary General Meeting for the purposes of determining whether quorum requirements have been satisfied, but will not be counted as present and voting (in either the numerator or the denominator) for the purposes of determining whether the relevant required approval threshold has been reached.

Recommendation of the Company's Board of Directors

THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE FORMALITIES PROPOSAL.

THE WARRANT AMENDMENT PROPOSAL

Overview of the Warrant Amendment Proposal

The warrantholders are being asked to consider and vote upon a proposal to amend the terms and conditions of the Public Warrants (i) to provide for the payment in cash of €0.625 per Public Warrant upon consummation of the Transaction; (ii) to amend the exercise formula for the Public Warrants to provide that the number of Public Shares received upon exercise of each Public Warrant is reduced by 50%; (iii) to increase the Public Warrant exercise price per Public Share from €9 per Public Share to €12 per Public Share; (iv) to increase the redemption trigger from €14 to €17; and (v) to extend the term of the Public Warrants from five years from the date of the IPO to five years from the consummation of the Transaction.

The form of Amended Terms and Conditions of the Public Warrants is attached hereto as Annex III. The description above is qualified in its entirety by the full text of the form of Amended Terms and Conditions of the Public Warrants.

Reasons for the Warrant Amendment Proposal; Effects

Factors considered in proposing the Warrant Amendment Proposal include:

- The Company believes the proposed cash payment of €0.625 per Public Warrant, taken together with the potential appreciation in the value of the Public Warrants if the Public Share price increases, should represent an attractive package for warrantholders.
- The amendment provides warrantholders with a cash payment of €0.625 per Public Warrant in exchange for, inter alia, reducing the Public Shares deliverable upon exercise by 50%. This achieves the same economic effect as redeeming half of the outstanding Public Warrants at a cash payment of €1.25 per Public Warrant, which represents a premium over the last reported trading price of the Public Warrants on June 6, 2011, which was €0.85 per Public Warrant.
- Based on its negotiations with the Sellers and the advice of its financial advisors, the Company's management believes that the terms and conditions of the Public Warrants must be restructured to reduce the related dilution in order to achieve a transaction structure that is acceptable to the Sellers, attractive to the Company's Shareholders and in the best interests of the Company. In particular, reducing the potential dilution represented by the Public Warrants, together with the exchange of the Founding Warrants for new Founding Shares and the restructuring of the existing Founding Shares, made it possible to increase the per Public Share value of the Transaction, while structuring a significant portion of the purchase consideration in the form of Earnout Shares. The Company believes this allowed management to negotiate a more attractive purchase price that aligns the interests of the Sellers with those of the Company's Shareholders and warrantholders in achieving growth in the Public Share price.

Consequences If the Warrant Amendment Proposal Is Not Approved

If the Warrant Amendment Proposal is not approved by the warrantholders, the proposed amendments to the Terms and Conditions of the Public Warrants will not take effect and the Shareholder Proposals will not be presented for a vote. In such event, the Transaction would not be completed and, unless the Company is able to consummate another Business Combination no later than August 4, 2012, the Company will be liquidated and the Public Warrants will expire worthless. See also "*Risk Factors—Risks Related to the Company in the Event of a Failure to Consummate the Transaction*".

Required Quorum and Vote

Approval of the Warrant Amendment Proposal requires the written consent of the holders of a majority of the Public Warrants outstanding as of the record date. Abstentions will have the same effect as a vote "AGAINST" the Warrant Amendment Proposal. There are no additional quorum requirements.

Even if the Warrant Amendment Proposal is approved by the requisite majority, the Company will not consummate the Transaction or effect any of the Shareholder Proposals or the Warrant Amendment Proposal if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares.

Recommendation of the Company's Board of Directors

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THE WARRANTHOLDERS VOTE "FOR" THE APPROVAL OF THE WARRANT AMENDMENT PROPOSAL.

ACTIONS THAT MAY BE TAKEN TO SECURE APPROVAL OF THE COMPANY'S SHAREHOLDERS AND WARRANTHOLDERS

Even if the Shareholder Proposals and Warrant Amendment Proposal are approved, if 35% or more of the outstanding Public Shares (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares, then the Company will not be permitted to proceed with the Transaction. In addition, if more than 25.5% of the outstanding Public Shares are validly submitted for redemption, the closing condition that there be a capital contribution to Exceet Group AG in a minimum amount of €15 million will not be satisfied unless the Wendel Shareholder exercises its Founders' Purchase Option in a sufficient amount. To preclude these possibilities:

- Although the Wendel Shareholder is not obligated to do so, the Wendel Shareholder may elect to exercise the Founders' Purchase Option with respect to a sufficient number of Public Shares to prevent the 35% threshold from being reached and to ensure the minimum capital contribution condition is satisfied.
- The Founders, the Sellers or their respective affiliates may negotiate agreements to provide for the purchase of Public Shares and/or Public Warrants from certain holders who indicate their intention to vote against the Transaction and seek redemption or otherwise wish to sell their Public Shares or Public Warrants. Such purchases may take place at negotiated prices and some Public Shareholders or warrant holders may receive a lower price than others (some Public Shareholders or warrant holders may not receive any purchase offer). The Founders, the Sellers or their respective affiliates may also pursue agreements to provide holders of Public Shares or Public Warrants with other incentives to vote in favor of the Transaction. The purpose of such agreements would be to increase the likelihood of obtaining approval of the Shareholder Proposals and the Warrant Amendment Proposal and to reduce the likelihood that the 35% redemption threshold would be met. Any Public Shares or Public Warrants purchased by the Founders, the Sellers or their affiliates would be voted in favor of the Shareholder Proposals and Warrant Amendment Proposals.
- The Extraordinary General Meeting of Shareholders or Special Meeting of Warrant holders could be postponed to provide time to seek out and negotiate such transactions if, at the time of the meeting, it appears that the requisite quorum or vote will not be obtained or that the limitations on redemptions will be exceeded.

As of the date of this proxy statement, the Founders and the Sellers have not entered into any agreements to purchase outstanding Public Shares from any party other than pursuant to the Founders' Purchase Option.

Any purchases made under the Founders' Purchase Option or other agreements could reduce the number of Public Shares of the Company in its public float, which could adversely affect the liquidity of the Public Shares (see "*Risk Factors—Risks related to the Transaction—Activities taken by the Company, Exceet Group AG or their affiliates or others to increase the likelihood of the Transaction may have an adverse impact on the trading price of the Public Shares or Public Warrants.*").

BUSINESS OF THE EXCEET GROUP

Overview

The Exceet Group is an integrated international embedded solutions technology group, specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. Its product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of its customers and of specific sectors. The Exceet Group serves customers in various sectors, including medical and healthcare, industrial automation, financial services, security, avionics (aviation and electronics), transportation, government as well as retail.

The Exceet Group believes that it is one of the leading providers of embedded electronics and security solutions in Europe. Its Electronic Components Modules & Systems (“ECMS”) segment focuses on embedded technologies, while its ID Management & Systems (“IDMS”) segment offers a broad range of secure smart card- and reader-based solutions. The Exceet Group also leverages on its know-how and experience in these two areas, developing and providing innovative embedded security solutions for selected markets. In each of its segments, it pursues a strategy of being an integrated solutions provider, offering to customers extensive and highly customized solutions along the entire value chain, ranging from the design and application development to small series or medium-size production and after sales services. The Exceet Group consists of a total of 16 direct and indirect subsidiaries with ten production facilities located in five European countries (the Republic of Austria (“Austria”), the Czech Republic, the Federal Republic of Germany (“Germany”), the Kingdom of the Netherlands (the “Netherlands”) and the Swiss Confederation (“Switzerland”)), allowing it to benefit from specific local advantages (*e.g.*, customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of its customers.

In the last three years, the Exceet Group has gained market shares through both internal growth and acquisitions of complementary businesses operating in Austria, the Czech Republic, Germany, the Netherlands and Switzerland in implementation of a “buy-and-build” strategy. Recent acquisitions include the purchase of Winter AG in December 2010, which specializes in the development and implementation of smart card-based technologies and IT (information technology) security solutions, the acquisition of the security services provider AuthentiDate International AG, completed in April 2011, and the purchase of the electronic components and systems specialist Contec Steuerungstechnik und Automation Gesellschaft m.b.H. (“Contec GmbH”), which was completed in May 2011.

The Exceet Group’s total revenue for the financial year ended December 31, 2010 was CHF 165,215 thousand (or €119,682 thousand) and for the three months ended March 31, 2011 was CHF 45,819 thousand (or €35,629 thousand). Its ECMS segment accounted for 66.5% and 68.0% of its total revenues in the financial year ended December 31, 2010 and the three months ended March 31, 2011, respectively, and its IDMS segment for 33.5% and 32.0%, respectively. The Exceet Group estimates that in the financial year 2010, transactions with customers from the medical sector accounted for approximately 50%, from the industrial automation sector for around 20%, from the security sector for approximately 5% and from all other market sectors for around 15% of its total sales. Its “EBITDA” (which the Exceet Group defines as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation) for the financial year ended December 31, 2010 was CHF 24,477 thousand (or €17,731 thousand) and for the three months ended March 31, 2011 was CHF 7,208 thousand (or €5,605 thousand). The Exceet Group had 674 employees (full-time equivalent) as of March 31, 2011.

ECMS Segment

In the ECMS segment, the Exceet Group develops and manufactures complex embedded electronic products with a strong focus on miniaturization, cost optimization and just-in-time availability for its customers. Its ECMS segment is characterized by a wide variety of innovative embedded electronic solutions tailored to sector- and customer-specific requirements and sold worldwide to customers from a broad range of industries.

In particular, this segment provides the following products and services to customers of the Exceet Group in the medical and healthcare, industrial automation and security and avionics industries:

- design, development, prototyping, production and testing of flexible, rigid-flexible, rigid and high density printed circuit boards (PCBs) for highly reliable miniaturized electronic applications, embedded electronic modules, systems and software;

- individual procurement and flexible logistics solutions; and
- after sales and lifecycle management services for its products (including the long-term storage of products and components for its customers, repair and replacing services and the redesign of products and components, for example, in cases of component changes).

The ECMS segment strategy of the Exceet Group is to constantly expand its portfolio of embedded electronic products. For example, its ECMS segment, in cooperation with its two other business segments, is currently developing a PCB with an integrated RFID tag (a microchip combined with an antenna in a compact package using radio frequency identification), allowing for a tracking of all operations performed on the PCB.

Total revenue generated by the ECMS segment was CHF 109,863 thousand (or €79,585 thousand) for the financial year ended December 31, 2010 and CHF 31,174 thousand (or €24,241 thousand) for the three months ended March 31, 2011. EBITDA for the ECMS segment for the financial year ended December 31, 2010 was CHF 23,690 thousand (or €17,161 thousand) and for the three months ended March 31, 2011 CHF 7,858 thousand (or €6,110 thousand).

IDMS Segment

In its IDMS segment, the Exceet Group focuses on the designing, developing and manufacturing of contact and contactless smart cards, multi-functional cards, card readers as well as providing related services. With its focus on tailor-made, innovative solutions, highest quality and security standards, the Exceet Group considers its IDMS segment to be one of the leading full-service providers for high-tech smart cards and readers for small and mid-size volumes in Europe.

Products and services provided by the IDMS segment of the Exceet Group to its customers in the industry segments financial services, security, government, transportation, medical and healthcare as well as retail include:

- design, development and production of hybrid cards (*i.e.*, a particular type of smart cards, which has two chips, one with a contact interface and one with a contactless interface), dual-interface cards (*i.e.*, a particular type of smart card with a single chip with both, contact and contactless interfaces), multi-functional cards, contact chip cards, RFID cards and transponders, including customized chip software solutions, magnetic strip cards, scratch cards and other plastic cards;
- design, development and production of contact and contactless card readers and dual-interface readers; and
- card personalization, packaging and mailing services.

Pursuing its strategy of systematically enlarging the product and solutions offering, the IDMS segment of the Exceet Group is currently, *inter alia*, developing biometric smart cards for applications requiring a high level of security.

Total revenue generated by the IDMS segment was CHF 55,357 thousand (or €40,101 thousand) for the financial year ended December 31, 2010 and CHF 14,649 thousand (or €11,391 thousand) for the three months ended March 31, 2011. EBITDA for the IDMS segment for the financial year ended December 31, 2010 was CHF 4,714 thousand (or €3,415 thousand) and for the three months ended March 31, 2011 CHF 1,489 thousand (or €1,158 thousand).

Embedded Security Solutions

In its newly established Embedded Security Solutions (“ESS”) segment, the Exceet Group leverages its technological and process know-how, experience and competences gained through its operations in the ECMS and IDMS business segments for developing highly customized embedded security solutions, with the objective of fulfilling highest security standards. Its ESS segment offers a broad range of secure solutions to customers in the medical and healthcare, industrial automation, financial services, security, avionics, and government business sectors including design, development, prototyping and production of secure card-reader-middleware bundles (combinations of smart cards, smart card readers and compatible middleware, and the design, development, production and maintenance of secure identity and access management systems).

The strategy of the ESS business segment is to continue to expand its product portfolio, offer unique security solutions to its customers and expand its customer reach. For example, based on the RFID technology-enhanced PCBs which are currently developed by its ECMS segment, the ESS segment intends to develop a modular product family of embedded security solutions for tailored applications. The Exceet Group currently expects to start offering first solutions by the end of 2011.

The ESS business segment of the Exceet Group commenced its separate financial reporting on April 1, 2011, following the acquisition of AuthentiDate International AG and after consolidating several competence centers from other parts of the Exceet Group.

Key Strengths of the Exceet Group

The Company believes the following strengths will allow it to execute its growth strategy described below, if the Transaction is consummated:

- ***Unique know-how and broad range of technologies and products.*** The Exceet Group has available a broad set of technologies and combines unique technological competence and development and manufacturing know-how in the areas of intelligent embedded electronic components, modules and systems, identification through smart cards and reading devices as well as embedded security solutions, allowing it to offer to its customers a large range of highly customized sector-specific products and solutions fulfilling highest quality and security standards. Through some of its companies the Exceet Group has more than 30 years of experience in the design and manufacturing of intelligent electronic solutions and more than 15 years of experience in the assembly and testing of electronic devices. In the IDMS area, the companies of the Exceet Group have more than 20 years of experience in designing and manufacturing of chip cards, RFID cards and in security processes and services. This extensive experience available in its ECMS and IDMS segments and its profound understanding of the related businesses and technological challenges provide the basis for the development and growth of its newly established ESS segment. The unique know-how and technological leadership of the Exceet Group, supported by its cooperation with various leading research institutes and joint development projects with its customers, also enable it to cover with its comprehensive products and services portfolio the entire value chain regarding high technology cards, embedded security solutions, embedded products and related services, ranging from the design and application development to small series or medium-size production and after sales services (integrated embedded electronics & security solutions provider). The Exceet Group thinks it is known in its target industries and among its target customer groups for the development of innovative, highly sophisticated and highly secure solutions, particularly for use in security-critical areas (*e.g.*, in the avionics and medical sectors). It believes this reputation is enhanced by its capacity to implement its customers' specific requests and translate them into new products, based on its ability to generate synergies by combining its competences in the ECMS, IDMS and ESS areas.
- ***Strong manufacturing and implementation competences.*** The Exceet Group owns and controls state-of-the-art production facilities located in five European countries (Austria, the Czech Republic, Germany, the Netherlands and Switzerland), enabling it to respond fast and with flexibility to its customers' needs and to adjust its production processes to meet specific requirements at highest security standards. The Exceet Group is a specialist for small and medium-size productions and has the production capacities to satisfy the demands of its customers. With its proprietary production machinery and its assembly skills it is able to achieve a high degree of miniaturization of electronic components, modules and entire systems for specialty applications. Its facilities enable it to run production processes for volumes ranging from single piece production to medium-size series manufacturing at competitive costs, and also allow for the rapid manufacture of prototyping series and to shift the production temporarily to another of its facilities on short notice should unforeseen production difficulties occur. They also permit the Exceet Group to benefit from specific local

advantages (e.g., customer proximity) at the respective locations. Due to its full control of the entire value chain from development to end production it has the ability to customize products and solutions to specific requirements of its customers, with flexible timing and allowing for a fast time-to-market. Through comprehensive and customized testing on site it is able to ascertain very high reliability of its products.

- Long-lasting customer relationships with market leaders for technology and long-standing supplier relationships.*** The Exceet Group has a broad and well established blue chip customer base in numerous vertical markets and maintains long-lasting customer relationships in each of its business segments. Its ten largest customers in the year 2010 have been with some of the Exceet Group companies for over ten years on average, with the longest at 17 years. The Exceet Group is the partner of trust of blue chip companies from various industries, including medical and healthcare, industrial automation and financial services, which come to the Exceet Group for the development of tailor-made solutions meeting their complex specific requirements and appreciate the ability of the Exceet Group to offer them a cohesive product from a single source. As part of its business model and leveraging on the proximity of its production and development sites to some of its major customers, the Exceet Group often works together with its customers in the initial phase of a product development to make sure that its final products have the required specifications. Such approach of a joint solutions development and customer support throughout the entire product lifecycle also helps it to build up and maintain trustful and sustainable customer relationships, ensuring higher customer loyalty. Furthermore, its close ties to its customers mean that new industry trends and requirements are often shared with the Exceet Group early, enabling it to offer related solutions with short lead times. On the supply side, the Exceet Group has established long-standing relationships with a diversified set of producers and distributors for its key materials, allowing it to react to production demands with flexibility and on short notice.
- Leading positions in selected dynamic growth end markets with high market entry barriers.*** With its products the Exceet Group focuses on selected dynamic growth end markets with a strong need for innovative embedded products and solutions and a growing need for secure transaction and identity and access control, allowing it to realize high margins. All of the end markets in which the Exceet Group is active (medical and healthcare, industrial automation, financial services, security, avionics, transportation, government and retail) currently show attractive growth rates. In its ECMS and IDMS business segments the Exceet Group believes it has leading market positions in Europe and the Exceet Group believes its ESS product offering to be unique in Europe. All of its business segments offer products and services along the entire value chain, which provides it with potential to further expand its business. In addition, the Exceet Group believes that such markets are characterized by high market entry barriers, such as the need for very specific development expertise and production know-how and long-term experience, the ability to offer full-range services and entire solutions, sector-specific know-how, production capacities which allow for a flexible and fast implementation of tailor-made products, the need for specific certifications to evidence compliance with certain industry and regulatory standards as well as long-term and established customer relationships.
- Proven platform for and track record of consolidation in fragmented industry.*** Since inception of the Exceet Group in 2006, it has focused on strategic growth through implementation of a “buy-and-build” strategy. The Exceet Group has the required experience, a proven track record and it thinks a good reputation in its industry and among its small and mid-size competitors for selecting and moving fragmented businesses with limited economies of scale, disintegrated value chain, interface-related inefficiencies and limited pricing power and margin pressure into a strategic platform and subsequently integrating them into its established structures. An established and tried screening and execution process allows it to move quickly should an interesting occasion for a business acquisition arise. In the last five years, the acquisition strategy of the Exceet Group enabled it to gain market shares, add know-how and enlarge its product and services portfolio through the successful acquisition and integration of various complementary businesses. The acquisitions also allowed it to combine and integrate small and medium-size series of modules and components into comprehensive solutions and to consolidate its competences in the field of embedded security solutions as well as expand its broad customer base further. The Exceet Group believes that the prospect for establishing strategic cooperations, its expertise and track record in successfully integrating target companies along the entire value chain, and leveraging on economies of scale, makes it attractive for future business integrations with resulting margin improvements despite competitive markets.
- Strong financial track record of revenue growth, strong earnings and cash flow generation.*** Since the establishment of the Exceet Group in 2006, it has managed to increase its revenues every year

through a combination of organic and acquisition growth and has generated overall margin growth, despite the recent significant downturn in the global economy (particularly in 2009). During the economic and financial crisis it implemented cost-cutting and margin-improvement measures affecting its profitability in order to benefit from the expected strengthening of the economy in 2010. In the last three years, its revenues have grown from CHF 81,669 thousand to CHF 165,215 thousand. In the financial year 2010, its EBITDA (with CHF 24,477 thousand) and its EBITDA margin recovered strongly after the global economic crisis in 2009, with its EBITDA margin of 14.8% exceeding the level of 2008. Such 2010 EBITDA margin was, the Exceet Group believes based on publicly available information of other producers, higher than the 2010 EBITDA margins of mass component producers (which were at an average of 8.9%), of specialty products mid-size series manufacturers (which were at an average of 10.4%) or specialty products small series makers (which were at an average of 13.5%). In the last three years, its net income has grown from CHF 4,003 thousand to CHF 12,525 thousand and its net income margin has increased from 4.9% to 7.6%, despite the expense incurred in connection with the integration of various acquisitions in the last years. Furthermore, such acquisitions allowed the Exceet Group to realize economies of scale in terms of purchase, strategy and marketing, and led to a stabilization of its cash flows.

- ***Highly experienced management team with a proven ability to execute growth strategy.*** The stable management team of the Exceet Group has extensive knowledge of the European intelligent electronics, embedded solutions and authentication industry. The management of the Exceet Group has a proven ability to execute a growth strategy and in particular an extensive track record in the integration of acquired businesses. This experience allows them to implement processes to actively monitor the integration processes and ensuring that the expected integration objectives are achieved. The members of the management board of Exceet Group AG combine 80 years of sector experience gained in senior management positions or founders in the electronics, smart card and RFID industry, the printing industry, in accounting, controlling and M&A and in finance and manufacturing and are able to take advantage of market opportunities, formulate sound business strategies and execute them in an efficient manner. The members of the management team of the Exceet Group have developed strong relationships with its customers, market partners and suppliers.

Strategy of the Exceet Group

The financial objectives of the Exceet Group are to achieve an organic revenue growth of 10-15% per year and a revenue growth through acquisitions of 10-20% per year and to increase its EBITDA margin in the medium term to 18%. The key components of the strategy of the Exceet Group to further improve its profitability are as follows:

- ***Systematic exploitation of growth opportunities and customer diversification in the ECMS and IDMS segments.*** One of the main strategic goals of the Exceet Group is to grow market share in the growth markets in which it is already established with its ECMS and IDMS segments and to extend its business operations in those markets and industry segments to new customer groups. The Exceet Group intends to continue its geographic expansion, hereby enlarging its strong European footprint, and to broaden its vertical penetration by extending its product offering to additional attractive sub-sectors within its established market verticals. The Exceet Group also intends to continue identifying cross-selling opportunities throughout the entire Exceet Group and systematically exploit them. In its ECMS segment, the Exceet Group plans to expand its operations for customers in the markets for avionics, leveraging with its specific product portfolio on the prevailing trends to increase safety and efficiency in these industries (including the trend to transfer functions which are currently performed by pilots to computerized systems). The Exceet Group also wants to obtain a specific certification under the National Aerospace and Defense Contractors Accreditation Program (Nadcap), a global cooperative standards-setting program of major aerospace companies for aerospace engineering and defense and related industries, for which it is in the process of preparing the application. Furthermore, its ECMS segment plans to expand its business with companies in the medical market through specific product offerings geared at technical solutions and aides for the aging population. In the IDMS segment, the Exceet Group closely monitors market trends and technological developments in order to be able to anticipate emerging customer requirements and react with new product offerings. This includes pilot projects, e.g., in the field of the near field communication (NFC) and over-the-air (OTA) technologies. Possible future applications in this area could be NFC and RFID stickers and smart phones, combining contactless payment or access management functions with the ability of a fast and secure personalization and initialization of such functions over the standard mobile phone network. Such products could be used in various business sectors, including public transportation, financial services,

retail or the securities industry. The IDMS segment also intends to broaden its product portfolio of multi-functional cards, which combine several electronic devices within one smart card, and to develop other potentially high-margin products.

- ***Further development of Embedded Security Solutions.*** Based on the market analysis by the Exceet Group as well as indications and requests from its customers that there is a strong demand in specific industries and market segments for comprehensive and integrated high security products tailored to the specific requirements of such sectors, the Exceet Group is focused on offering innovative embedded security solutions. Through its operations in the ECMS and IDMS segments the Exceet Group has the required in-depth understanding of embedded electronics and card-based security solutions as well as of the end markets in question to offer unique segment-specific security solutions. Being among the first providers to satisfy such demand, the Exceet Group intends to benefit from the expected growth opportunities in Embedded Security Solutions, initially focusing on high technology and high reliability-driven industries which it is already familiar with, such as medical and healthcare, avionics, security, industrial automation and government. The Exceet Group expects that the combination of its skills and the integration of its process and technological know-how regarding embedded electronics and smart card devices will enable it to constantly enlarge its product portfolio, help it to reach new customers and make its products and services even more attractive for its current customer base. Furthermore, the Exceet Group believes that this measure will be mutually beneficial to all of its business segments and secures what it regards as its leading position in its selected markets as a developer and provider of embedded solutions and card-based security technology.
- ***Further strengthening of the business model of the Exceet Group through strategic acquisitions.*** The Exceet Group plans to continue an active monitoring of the market for opportunities to strengthen its business model through selected strategic acquisitions of complementary companies with sales in the range between €25 million and €50 million in all of its business segments. Its criteria for this acquisition strategy are to search for or meet one or several of the following criteria: (i) complementary technologies, skill-sets (*e.g.*, in the areas of security software or system integration) or products, to broaden its product offering (*e.g.*, in the areas of business services or business platforms), (ii) profitability of the acquired business, (iii) strengthening of vertical end markets (*e.g.*, in the areas of medical technology or avionics), (iv) regional market access to increase its market penetration in targeted geographic areas (*e.g.*, in Scandinavia or Eastern Europe), and (v) potential for optimization of the acquired companies. At the same time, the Exceet Group will be looking to target companies which are fragmented businesses with limited economies of scale, disintegrated value chains, interface-related inefficiencies or limited pricing power and margin pressure which it thinks are easy to integrate into its existing platform and which the Exceet Group believes will benefit its growth and margins after restructuring. The Exceet Group has identified a large number of potential targets in Europe which would fulfill some or all of these investment criteria.
- ***Continuous improvement of product quality and technological competence as well as production processes.*** The Exceet Group plans to secure and further expand the technology leadership position which it believes its segments occupy in their targeted industries and its high technological expertise in each of the business segments of the Exceet Group through continuous and comprehensive development activities in connection with innovative product offerings. In many of its markets (*e.g.*, the medical and healthcare as well as the avionics sectors) reliability and a high quality standard of products are crucial. The Exceet Group intends to continue the constant monitoring of its customized quality assurance and testing procedures and will further invest in testing and production equipment, should this become necessary to meet evolving quality standards and specific requirements its tailored products need to fulfill. In addition, the Exceet Group plans to further improve its production and manufacturing processes and its production facilities in order to further reduce its scrap rates. The Exceet Group also will consider investing in new machines, built to its proprietary specifications, that are qualitatively superior if available at an adequate price. All of these measures aim at realizing cost savings and further improving its production yield, production speed and time-to-market for certain of its products.

History and Acquisitions

The Exceet Group was founded in 2006, with the formation of Exceet Group AG under the name AEM Technologies Holding AG. The operations of the Exceet Group to a large extent result from a number of subsequent acquisitions of companies operating in the business areas of electronic components, modules and systems (ECMS), ID management and systems (IDMS) and embedded security solutions (ESS), in implementation of a buy-and-build strategy. Most notable are the acquisitions of ECR AG and GS Swiss PCB AG in 2006, AEMtec GmbH and Mikrap, AG für Mikroelektronik-Applikation ("Mikrap AG") in 2008, which represent large parts of the ECMS segment, the acquisitions of exceet Card Group AG (the former CardFactory AG), including its subsidiaries PPC Card-Systems GmbH, VisionCard Kunststoffkartenproduktions GmbH and NovaCard Informationssysteme GmbH in 2009, all of which are part of the IDMS segment, as well as the acquisition of AuthentiDate International AG, completed in April 2011, which forms the catalyst of the newly established ESS segment. The history of the individual subsidiaries forming the current Exceet Group partly goes back as far as 1924. The most recent acquisitions include the purchase of Winter AG in December 2010, which specializes in the development and implementation of smart card-based technologies and solutions, and the acquisition of Contec GmbH, a provider of electronic components and systems, which was completed in May 2011.

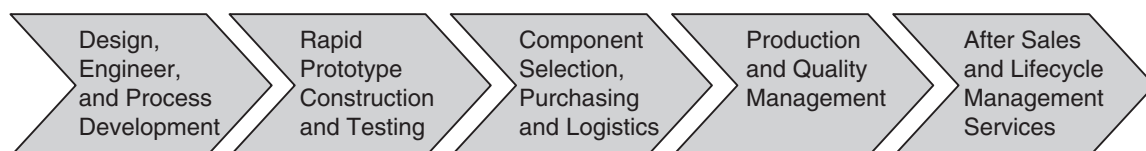
ECMS Segment

Overview

The ECMS segment follows the approach of providing an extensive range of solutions, tailored to and depending on the specific needs of its customers. As a result, the ECMS segment has developed a broad embedded products and services portfolio, the components of which are customized and often combined to meet the individual customer's requirements and to allow for an easy integration with other systems and devices.

Comprehensive Value Chain

In implementation of the strategy of the Exceet Group of being an integrated solutions provider for its customers, the portfolio of the ECMS segment covers the entire value chain regarding embedded products, ranging from the design and application development to small series or volume production and after sales services. The following diagram illustrates the main components of such value chain:



Design, Application and Process Development

In the phase of the design and process development and engineering, the ECMS segment analyzes together with its customers the application field of the requested product and determines its required specifications and design, which are recorded in requirement specifications (*Pflichtenheft*). In a further step, the appropriate production method is chosen and a time schedule for the implementation of the project is agreed upon. Applying virtual simulations, it assesses, among other things, possible structural and connectivity difficulties, which could arise when embedding the product into a larger module. Particularly the first development phase is decisive for the production costs and the quality of the product. As of the first meeting and during the entire development process, the development units of the ECMS segment and its manufacturing units work closely together, in order to achieve time and cost efficient results. Besides individual design services, the ECMS segment offers a broad range of standard products and solutions, which can be tailored to the particular requirements of its customers, allowing for a short time-to-market and reducing development risks as well as production costs. The approach of the Exceet Group to product design systematically includes considerations of manufacturability. While it is relatively easy to design a device that can be built as a one-off prototype, its design experts understand the intricacies of creating products that can be easily manufactured. When developing a new design, the ECMS segment considers the entire process from designing the schematic to tooling and fixturing and supply chain management, resulting in a more cost effective end solution.

Rapid Prototype Construction and Testing

In the phase of prototype construction and testing, the ECMS segment takes particular advantage of its ability to manufacture prototypes and develop them to pilot production level within very short time periods, focusing on the qualification and fitness of components and processes for volume production. Whenever possible, relevant processes are performed with standard technologies and standard-produced equipment, ensuring a fast transition to subsequent production of larger volumes. Simultaneous with prototype manufacturing, it develops a suitable test concept and selects the test and inspection hardware that is appropriate for functionality and final acceptance testing. In order to meet the agreed quality standards and regulatory requirements, the prototypes are thoroughly examined in the ECMS segment's testing facilities, which include electromagnetic compatibility (EMC) laboratories. The knowledge obtained in the prototype construction and testing phase is used for optimizing the product design and the overall process set-up.

Component Selection, Purchasing and Logistics

Based on its integrated strategy, the ECMS segment also offers its customers individual procurement and flexible logistics solutions. The operating companies of the ECMS segment purchase and procure tools, parts, components and raw materials required for its production. Since the Exceet Group bundles its procurement activities as far as possible on a group level, its individual customers benefit from favorable pricing conditions. The ECMS segment continuously monitors the quality of purchased tools, parts, components and raw materials as well as compliance with agreed delivery schedules. Depending on the requirements of its customers, the ECMS segment develops individual logistical concepts for delivery of its products. For more information on purchasing, procurement and logistics, see also “—*Procurement, Purchasing and Logistics*”.

Production and Quality Management

Depending on the customer-specific requirements, the production facilities of the ECMS segment, which are located in Austria, Germany and Switzerland, handle its highly flexible production processes ranging from the single piece production to the medium-size series manufacturing. For the production, the ECMS segment relies upon a broad range of machinery and equipment, the standardization and automatization of process and production sequences, production control, continuous quality assurance of processes and, for certain products, production in complete clean room conditions. A large portion of its machinery and equipment is multi-functional and allows the software specialists of the ECMS segment to reprogram the operating system to meet the requirements of the individual production processes. High quality and reliability of the products of the ECMS segment are ensured through testing according to specific testing programs, including the following testing systems and methods: electromagnetic compatibility (EMC) testing, automatic optical inspection (AOI), flying probe testing (FLY), in-circuit testing (ICT), microsection, 3D and coordinate measurement, functional testing, boundary scanning (BS) and power testing. The Exceet Group also customizes its testing equipment in order to offer optimal testing cycles for each of its tailored products. In addition, the ECMS segment possesses express production capabilities, enabling it to produce even complex products with short lead times. As a result, a separate certification of volume-manufactured products after the express production is not necessary, because the express productions is accomplished with the same processes and the same types of machines in the same facilities as the volume production, thereby reducing time-to-market for products with large qualification hurdles, as for example, in the medical engineering sector. Apart from its products, the ECMS segment also offers its customers comprehensive product documentation (including documentation required for the CE or UL marking), and customized software packages for its hardware products (including boot systems, operating software, application software and maintenance software).

After Sales and Lifecycle Management Services

The ECMS segment continues to support its customers after the sale of the products. Services include the long-term storage of a large amount of products and product components for the customers, the continuous surveillance of the component status for the customer's products, the evaluation of possible second or alternative component sources, the redesign and the reengineering of products, for example, in cases of component changes, the replication of discontinued components, repair and replacement services as well as the monitoring of compliance with regulatory requirements. Such lifecycle management services are of particular importance for the medical engineering sector. In this market segment, long-term commitments to deliver additional products or their components in the future often are a pre-condition for being eligible for a contract to supply products to a system integrator, which form the majority of the ECMS segment's customers. Therefore, the Exceet Group regularly guarantees additional deliveries of certain of its products during agreed time periods.

Key Products

The following key product groups are currently offered by the ECMS segment:

- **Printed Circuit Boards.** Printed circuit boards (PCBs) mechanically support and electrically connect electronic components using conductive pathways, tracks or signal traces etched from copper sheets laminated onto a non-conductive substrate. The ECMS segment offers a wide range of customized flexible, rigid-flexible and rigid PCBs, as well as miniaturized and high density (HDI) PCBs for applications in the following market segments: medical and healthcare (*e.g.*, for implants, hearing and diagnostic systems), industrial automation (*e.g.*, for embedded computers), avionics (*e.g.*, for communication and encryption systems) and measurement/sensor technology (*e.g.*, for sensors and scales). Many of its PCBs are tailored to meet demanding requirements of security-critical industries.

The flexible PCBs of the ECMS segment are manufactured from substrates like polyimide and LCP (liquid crystal polymer) with a minimal thickness of only 12 μm . This ensures their high flexibility (*e.g.*, allowing the use of flexible PCBs as substitutes for cables) and enables highly miniaturized 3D-designs and stress resistant dynamic connections. The ECMS segment's flexible printed circuit boards, which can be manufactured with blind and buried vias (*i.e.*, different types of vertical electrical connections between several layers of conductors in PCBs) and highly complex contours, are available in thicknesses starting from 25 μm .

Rigid-flexible PCBs combine the advantages of flexible and rigid PCBs and can replace several rigid boards, which would have to be inter-connected with cables and connectors. The omission of cables and connectors increases the reliability substantially and is inevitable in high reliability applications (*e.g.*, in the medical and avionics sectors). Rigid-flexible PCBs can be populated similar to rigid PCBs. Although rigid-flexible PCBs have higher production costs than rigid PCBs, they often provide the more economical solution. Cost savings are achieved by a lower number of components and lower assembly costs. In addition, the reliability of the final product increases. The design of rigid-flexible PCBs requires special expertise and special care must be taken prior to assembly, in order to avoid delaminations. Test programs of the rigid-flexible PCBs of the ECMS segment include flexibility checks with over 100,000 bending cycles, ensuring their high reliability even if exposed to high mechanical stress (*e.g.*, if applied in turbines, power plants and heavy engines).

The rigid PCBs of the ECMS segment are available in a wide variety, spanning from simple single-sided boards to highly integrated multilayer substrates with blind and buried vias. An even higher degree of integration is available if a specific technology is applied, which combines copper filled vias with a sequential build-up, also known as "stacked vias". It is also possible to integrate copper filled vias directly into the pad (via in pad), ensuring substantial higher packing densities and better assembly yields. Higher functionality can be achieved by using edge metallization or high precision depth milling.

- **Embedded Electronic Modules.** Electronic modules are subcomponents of larger electronic systems. The ECMS segment manufactures electronic modules and devices, particularly applying and combining the following chip level technologies and procedures: surface mount (SMT), through-hole (THT), chip-on-board (COB), opto-packaging, chip-on-flex (COF), flip-chip (FC) and multi-chip-module (MCM) on all currently available substrates (*e.g.*, printed circuit boards, film, ceramics and wafers), depending on the concrete customer specification and product designation. The electronic modules of the Exceet Group are used in various market segments, including: medical and healthcare (*e.g.*, a photo diode front end electric system for computed tomography devices), data communication and telecommunication (*e.g.*, a 100 MBit/s fast ethernet industrial fiber optic transceiver for applications in extreme environment).

One of the specialties of the ECMS segment is the chip-on-board (COB) technology, where bare dies (*i.e.*, small blocks of semi-conducting materials, so-called integrated circuits, that have been cut out from the wafer and are ready for packaging) are directly positioned on a substrate in a space-saving and thermally optimized way, ensuring a high reliability even under demanding operating conditions, such as in light barriers or medical imaging systems. Another core product are multi-chip modules (MCM), which is a number of integrated circuits enclosed in a single package and capable of handling all or most of the functions of an electronic module or system, implementing the system-in-package (SIP) approach. This technology particularly enables the ECMS segment to support various modularization concepts and helps to reduce manufacturing costs. Using multi-chip modules, the ECMS segment is, for example, able to position highly integrated modular components with many Input/Output connections on a limited space, without having to manufacture the entire board as a high density (HDI) printed circuit board at higher costs.

- ***Embedded Electronic Systems.*** Electronic systems are groupings of electronic circuits and components which are designed to accomplish one or more complex functions. The product range of the embedded electronic systems of the ECMS segment, which are designed for integration into a complete electronic device, includes embedded PC control panels, embedded PC control units, embedded industrial PCs and embedded single board computers. The embedded electronic systems of the ECMS segment are mainly used in the following markets: medical and healthcare (*e.g.*, control panels for blood infusion systems), industrial automation (*e.g.*, controllers for packaging and printing machines), the transportation sector (*e.g.*, controllers for the drive line units or board power supply units of trains and ships), the construction and mining industry (*e.g.*, control units for constructing vehicles and mining machinery) and the avionics industry (*e.g.*, vibration measurement systems for airplanes), typically demanding in terms of security and resilience.

The embedded PC control panels of the ECMS segment can be used as separate control units or in connection with local or separate Input/Output devices. They have the functionality of a complete embedded Windows PC with a touch panel and can be utilized for control or visualization software applications. In contrast to PC control panels, the embedded PC control units do not have a touch panel, can be mounted on a DIN rail and be used in combination with local or separate Input/Output devices. In addition, the ECMS segment develops and manufactures customized embedded systems applying analog and digital technology, precision engineering, optical engineering and pneumatic technology.

In particular with regard to the embedded electronic systems, the Exceet Group benefits from its integrated structure and the broad experience and product range of its ECMS segment, covering a wide variety of high-tech components, which can be utilized and combined when developing and assembling customized embedded systems. In addition and, as the Exceet Group believes, in contrast to some of its competitors, which need to adjust the design of their embedded systems to the layout of third party components which are available on the market, the ECMS segment can utilize the internally available expertise, development and production capabilities for producing customized embedded systems consisting of exactly tailored components. For more information on embedded electronic systems, see also “—*Industry Overview—Overview and Technology—Embedded Systems and their Components*”.

- ***Embedded Software.*** Software is a collection of computer programs and related data that provide instructions to a computer. The ECMS segment offers boot systems and operating software (*e.g.*, Windows CE, VxWoks, Elinos Embedded Linux, RTX DOS) for its embedded electronic systems, customized maintenance software for its embedded electronic systems and electronic modules, control-, simulation-, and diagnostic software for its embedded electronic systems and visualization software for its embedded electronic systems.

In addition, the ECMS segment is currently developing the following products:

- ***PCBs with Integrated RFID Tags.*** The ECMS segment, in cooperation with the two other business segments of the Exceet Group, is currently developing printed circuit boards (PCBs) with integrated secure RFID tags (*i.e.*, microchips combined with a miniaturized antenna in a compact package). Applying innovative technology, such RFID tags are embedded into the inner layers of the PCB, hereby ensuring that a removal of the microchip is only possible by means of destruction of the PCB. The thickness of such RFID technology-enhanced PCB is the same as it would be without an integrated RFID tag. In order to ensure a high security level of data transmission, the software interface of the integrated microchip will be secured by sophisticated encoding algorithms. The reading and writing capabilities of the microchip of such RFID technology-enhanced PCB will allow for a tracking of all operations performed on the PCB. Its possible application fields include complex electronic systems (*e.g.*, in the medical and healthcare as well as the avionics industries), which require a high degree of traceability as to the operations performed with such system and the use of genuine components.

Key Services

The ECMS segment also provides a variety of services, which are related to its products. Apart from its prototype-, express- and series production capabilities, including strict quality management and tailored testing procedures, the ECMS segment offers extensive technical specification-, process- and product development services. The integrated services provider strategy of the ECMS segment also includes the provision of packaging and logistics services as well as after sales and product lifecycle management. In addition, the ECMS segment also operates extensive outsourcing models for entire production lines of its customers. For more details, see also “—*ECMS Segment—Comprehensive Value Chain*”.

Customers

The ECMS segment has a wide range of customers in over 25 countries in Europe, the United States and Asia/Pacific, with the main customers being located in Europe and to a lesser extent in the United States and Asia. Its customers are other producers, including original equipment manufacturers (OEMs), which integrate the ECMS segment's products with their own products and not the product end-users. As a consequence of the Exceet Group's approach to offer customized solutions, its ECMS segment typically does not only enter into long-term framework agreements with its customers, but also provides its products based on single contracts or repeat purchase orders covering individual projects. Some of the customer relationships with individual companies belonging to the ECMS segment exist for more than 15 years. The ECMS segment's customers consist mainly of producers of medical and healthcare, industrial automation, security and avionics technologies.

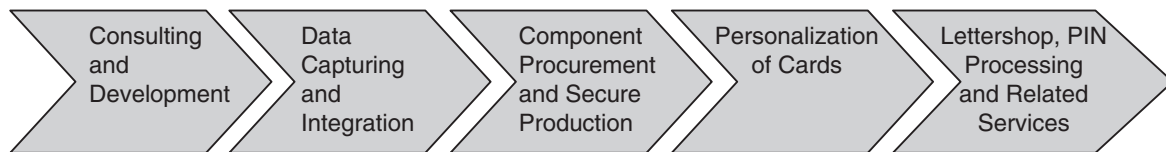
IDMS Segment

Overview

The Exceet Group believes that its IDMS segment is one of the leading full service providers for high technology cards, related services and solutions in Europe. Based on its strong competence in the development and production of smart cards and card readers, integration of smart card technology, card personalization, lettershop and related services, the IDMS segment developed a wide range of advanced technologies and products, which can be customized and combined depending on the specific requirements of its customers.

Comprehensive Value Chain

This approach, which combines individual and modular design elements, allows the IDMS segment to cover a broad value chain with the focus on production of high technology cards and to assume the role of an integrated solutions provider for its customers. The following diagram illustrates the main components of the value chain covered by the IDMS segment:



Consulting and Development

In the initial consulting and development phase, an interdisciplinary team of development and manufacturing specialists of the IDMS segment analyzes together with its customers the application field of the requested product and determines its required specifications together with the security and quality parameters. If the product is intended to be embedded into a main system, possible structural and compatibility issues are examined and solutions are developed. In a further step, the appropriate production method is chosen and a time schedule for the implementation of the project is agreed upon. When developing its products, the IDMS segment systematically considers the entire manufacturing process, starting with the component procurement up to the product delivery, ensuring a higher cost effectiveness of the offered solution. The offered solutions draw on the high technical expertise and experience of the IDMS segment in the development of tailored high technology cards and related products and services.

Data Capturing and Integration

If a customer requires a card to be equipped with personal data, the IDMS segment offers comprehensive solutions for data requests from the end-users via mail or internet, data (in particular, photo) capturing and data integration, including photo scanning and photo processing as well as the creation and maintenance of individual data interfaces to the IDMS segment's customers.

Component Procurement and Secure Production

In the third phase, in implementation of the Exceet Group's strategy of being an integrated solutions provider, its IDMS segment sources the required parts, components (primarily, chips) and raw materials from third parties or from within the Exceet Group. By bundling the Exceet Group's procurement activities as far as

possible on a group level, it achieves favorable pricing conditions which allow it to price competitively. The Exceet Group continuously monitors the quality of purchased parts, components and raw materials and compliance with agreed delivery schedules. For more information on purchasing and procurement, see “—*Procurement, Purchasing and Logistics*”. Depending on the customer-specific requirements, the production facilities of the IDMS segment, which are located in Austria, the Czech Republic, Germany and the Netherlands, handle its highly flexible production processes, including the manufacturing of card bodies and the implanting and programming of chip modules. The Exceet Group estimates that over the course of the last years its IDMS segment on average produced over 500 million cards per year. The IDMS segment also possesses express production capabilities, enabling it to produce even complex products with short lead times. In its production, the IDMS segment relies upon a broad range of special machinery and equipment, the standardization and automatization of process and production sequences, production control and continuous quality assurance of processes. Similar production practices, machinery and software are used in various production sites within the IDMS segment, which makes it possible to move orders from one production site to another, reducing production time and adapt capacity at minimal cost as well as limiting risks related to manufacturing interruptions at one of the sites. Apart from the technological aspects, one of the main focuses of the IDMS segment is to ensure a high security level of the production processes, in particular with regard to data protection. Most of the IDMS segment’s products either contain personal data or are designed to ensure a secure access. The Exceet Group has implemented technical and organizational security measures to protect sensitive data against accidental or deliberate manipulation, loss, destruction or unauthorized access, which it reviews and, if necessary, improves on a regular basis. In addition, some of the IDMS segment’s production sites are certified to be in compliance with a range of security standards, for example, the security standards of Visa and MasterCard (see “—*Certification*”).

Personalization of Cards

With regard to cards, the actual production phase is followed by the personalization of the card. The card personalization services of the IDMS segment consist of an optical aspect (the appearance of the card) and an electronic aspect (the data and software stored on the embedded chip, including end-user information, such as photos and signatures). Data and application parameters are transferred to the card in encrypted files in a highly secure environment. The IDMS segment’s optical personalization techniques include embossing, indenting, laser engraving, inkjet printing and thermal transfer of identification numbers, logos and end-user information, such as photos, names and signatures on the card body as well as anti-counterfeiting and tamper-proof features such as special ink marks. In the personalization phase, the chips and magnetic strips of the cards are also encoded, under highest security standards and using state-of-the art contact and contactless encoding equipment.

Lettershop, PIN Processing and Related Services

The last major element of the IDMS segment’s value chain is supplementary services related to the IDMS segment’s products, including lettershop and PIN processing services. As part of the IDMS segment’s lettershop services, letters are equipped with one or several cards and other supplements in an automatic process, which includes the automatic matching of letters and cards. The IDMS segment also offers a large portfolio of packaging services, ranging from standard folded boxes to ultraviolet or scented varnishing, as well as services for optimizing postage charges. For security-related applications, PIN letters provide the cardholder with a secret numeric password that can be used to authenticate the cardholder prior to a data transmission. The IDMS segment’s PIN processing services include PIN calculation and production of PIN letters, using several technologies depending on the required security standard. These PIN letters are then mailed to the end-users of the produced cards on behalf of the IDMS segment’s customers.

Key Products

The following key product groups are currently offered by the IDMS segment:

- **Multi-functional Cards.** Multi-functional cards are smart cards which combine two or more different electronic devices on one card. They include hybrid cards, dual-interface cards and squeeze cards (allowing data transmission only upon pressing of a built-in button). The tailored combination of several applications within one smart card, which retains the dimensions of a standard card, is one of the specialties of the IDMS segment. An example is a smart card with integrated access, time recording and payment functions designed for the use in large commercial organizations. The IDMS segment has also developed temperature tracking cards, which are designed for monitoring of the cold chain of food or medical products. They combine an active battery-powered RFID device with a temperature measurement device with a range from -20°C to +60°C within a standard sized card body. The

development and production of multi-functional cards in particular requires a high degree of technology expertise in the card business, which is a core competence of the IDMS segment, combined with specific miniaturization experience, which particularly the ECMS segment is able to contribute.

- **Contactless Cards and Transponders.** Contactless cards and transponders are smart cards with embedded electronic devices, such as memory or microcontroller chips which communicate via inductive coupling (RFID technology). The product range of the IDMS segment's contactless cards and transponders, which is one of its focuses, includes key cards and key fobs, tickets for leisure events and public transportation, wristbands for loyalty applications, RFID tags, customer cards and toll cards. The IDMS segment applies and combines various technologies and components (including chips) of different manufacturers, depending on the customer requirements and the application field of the card. For example, the contactless card solutions of the IDMS segment for applications in the transportation sector particularly addresses such sector's specific requirements of a high transaction speed due to high customer volumes. In addition, if requested by the customer, the functionality of these cards can be increased by including prepaid or postpaid capabilities, transforming such card into a multi-functional device.
- **Contact Cards.** Contact cards are cards with embedded electronic devices, such as memory or microcontroller chips, which communicate via physical interfaces. They include chip cards (e.g., debit and credit cards compliant with the EMV standard (as to such standard, see "*—Industry Overview—Market Volumes—The Market for Smart Cards and Devices—Financial Services*"), magnetic strip cards (e.g., keycards and customer cards), and USB chip tokens (e.g., access devices). One of the main application fields of the IDMS segment's products in general and its contact cards in particular is the financial services sector. The IDMS segment's contact cards are designed to comply with the principal industry standards for financial cards, such as the EMV standard for credit and debit cards based on chip card technology. In addition, the IDMS segment offers microprocessor cards, which have been certified by major financial institutions and industry organizations, including Visa and MasterCard. For more information on the technology of contact cards, refer to "*—Industry Overview—Overview and Technology—Smart Cards and Readers*".
- **Plastic and Paperboard Cards.** Plastic and paperboard cards are cards without any electronic devices. The IDMS segment offers a wide variety of plastic and paperboard cards in different forms, with different thicknesses and various surfaces, depending on the type of their application. The product range includes thermo rewrite cards (e.g., member cards), scratch cards (e.g., prepaid cards for mobile operators) and other laminated cards (e.g., insurance cards, gift certificates and bonus cards). Scratch cards are widely used by mobile network operators for the provision of prepaid services. These prepaid scratch cards have a scratch-off panel that covers numbers or codes necessary to activate a wireless subscription or to top-up a prepaid subscription. To use the card to make a phone call, the user would scratch off the panel, dial a toll-free number indicated on the card and type in the code revealed to increase the value of the prepaid account.
- **Card Readers.** Readers are communication interfaces transmitting information received from a smart card, transponder or another identity device to a host system such as a control panel or a database for further processing. The Exceet Group offers contact card readers, in which the card needs to be inserted for data transfer (e.g., PC-linked desktop readers and portable readers with and without a PIN pad for secure log-ons, email signature applications, eGovernment applications, one-time password generation etc.), contactless card readers (using RFID technology), dual interface readers (combining a smart card reader and a fingerprint sensor) and dongles (a combination of flash memory and a smart card reader). Depending on the required level of security, the customers of the IDMS segment can choose between single-factor authentication devices and multi-factor authentication devices. The distinguishing characteristic of a single-factor authentication device is that it uses only one method of authentication, e.g., the smart card as an external storage medium of a digital key. Multi-factor authentication devices use two or more authentication factors, such as, e.g., the IDMS segment's card readers with a PIN pad (relying on two factors, the smart card and a password), or its PC-linked and wireless dual interface readers, which combine three authentication methods by verifying something the requestor "has" (the smart card), something the requestor "knows" (a password) and something the requestor "is" (the fingerprint). Additional security is ensured by template extraction and template matching outside the PC, within the device itself. Currently, the IDMS segment is also offering a certified contactless base reader (*Basisleser*) for the new chip-based German identity card as well as a reader for the SwissID, the Swiss identity verification and electronic signature card.

- **Chip Software.** Depending on specific customer needs, the IDMS segment offers tailored chip software solutions, particularly for security related smart card applications. Due to its programming capabilities, the IDMS segment is able to analyze products and components of third parties and, if necessary, integrate them into its own production processes within short time periods.

In addition, the IDMS segment is currently developing and further refining technologies in order to offer the following products:

- **Biometric Smart Cards.** The IDMS segment currently also develops a biometric smart card with an integrated fingerprint authentication device. The application of sophisticated technological processes allows it to insert 60 electronic components, including a security controller and biometric subsystems, on a standard-sized smart card. Such a biometric smart card ensures a high level of authentication security by fingerprint template extraction and fingerprint template matching within the smart card itself. As a consequence, a central data base access during the identity verification is not necessary, hereby reducing the risk of unauthorized data interception and manipulation.

Key Services

The IDMS segment also provides a wide range of ancillary services related to its products, which are important for establishing close customer relationships and reflect the Exceet Group's strategy of being an integrated solutions provider for its customers. Apart from the production and extensive personalization of high technology cards as well as card-related customized hardware and software, the IDMS segment offers a wide range of consulting and development services. They include the design of technical specifications, personalization and packaging options, project management and application development and aim at providing the customers with an optimal and cost-efficient solution, which integrates the IDMS segment's proprietary and all available third party technology. The IDMS segment also offers extensive lettershop, packaging and PIN processing services.

Customers

The IDMS segment's customers are either other manufacturers, who integrate its products with their own systems, or institutions (e.g., health insurance companies and public transportation providers) offering the IDMS segment's products to their own customer base and not the product end-users. As a consequence of the Exceet Group's approach to offer customized solutions, the IDMS segment does not only enter into long-term framework agreements with its customers, but also provides its products based on single contracts covering individual projects. Some of the customer relationships of the IDMS segment with individual companies exist for more than 10 years. The customers of the IDMS segment are for the most part producers, distributors and providers of banking cards, access cards and IT security solutions, cards for customer loyalty programs, high security cards, leisure events and public transportation tickets, health insurance cards, plastic cards, card readers and log-on bundles.

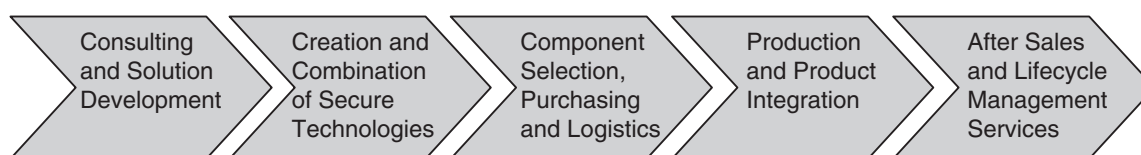
ESS Segment

Overview

Based on the extensive experience in the markets for embedded electronics and card-based security technology coupled with the analysis of the challenges faced by some of its customers, the Exceet Group identified strong potential demand for integrated high security products and comprehensive security solutions tailored to the specific requirements of certain industries and market segments. Typically, such solutions must be designed to be easily integrated into larger systems, provide a high level of security and occupy a minimum of space. Reflecting on this market opportunity, the Exceet Group has recently established its new ESS segment, which combines the technological and process know-how already available in its ECMS and IDMS segments for the development of segment-specific security solutions.

Comprehensive Value Chain

The goal of the ESS segment is to serve as an integrated solutions provider for customers in this evolving market segment, covering the entire value chain relating to the development and the offer of unique embedded security solutions. The following diagram illustrates the main components of such value chain:



Consulting and Solution Development

The starting point and basis of the ESS segment's value chain usually is an in-depth analysis of individual factors which create the demand for embedded security solutions, for example, the need to protect sensitive data from unauthorized access, to reduce administrative expense or to control a complex system and to ensure the traceability of its individual components. Working closely together with its customers, such analysis enables the ESS segment to determine the required product specifications and to develop a cost-efficient and customized solution, considering the entire manufacturing and integration process. One of the key aspects is to assess and to resolve possible structural and connectivity difficulties associated with the integration of the Exceet Group's product into the main systems of its customer.

Creation and Combination of Secure Technologies

In the following phase, drawing on the high expertise in the development of tailored products for the ECMS and IDMS segments, the specialists of the Exceet Group develop the required technologies for the implementation of the individual solution concepts. A major goal here is to benefit from the existing and continuously growing number of technological platforms, which are available within the Exceet Group and which can be combined, enhanced and tailored to the particular requirements of the ESS segment's customers. Whenever possible and economically justified, all of the business segments of the Exceet Group participate in the development process, contributing individual software and hardware components for the ESS segment's products. Such synergetic and modular design approach allows for a short time-to-market and reduces development risks as well as production costs. This approach also contributes to constantly enlarging the product portfolio of the ESS segment and is mutually beneficial to all of the three business segments of the Exceet Group.

Component Selection, Purchasing and Logistics

In particular on the hardware side of a project, the ESS segment applies its proven concepts of individual procurement and flexible logistics solutions, designed to assure the highest quality standards. The integration of the newest business segment into its existing procurement activities supports the Exceet Group's strategy of benefitting from economies of scale on a group level. For more information on purchasing, procurement and logistics, see "*—Procurement, Purchasing and Logistics*".

Production and Product Integration

Using own production capacities and leveraging on the production facilities of the entire Exceet Group, the ESS segment ensures a flexible manufacturing process regarding the hardware components of its embedded security solutions as well as high quality standards (particularly relying on tailored testing procedures). The manufacturing of its innovative products requires the adaption of existing production techniques and, to a certain extent, the mastering of new production methods. In this regard, the ESS segment benefits from the broad customization experience gathered by the Exceet Group in the past. It also profits from the fact that a large portion of the Exceet Group's machinery and equipment is multi-functional and allows its software specialists to reprogram the operating system to meet the requirements of the individual production processes. Apart from the hardware production, a particular attention is paid to engineering of sophisticated secure software as well as a comprehensive integration of the hardware and software products into the complete systems of the customers. In this regard, the ESS segment leverages on the know-how and broad experience in these areas which are available throughout the Exceet Group.

After Sales and Lifecycle Management Services

Like the other business segments of the Exceet Group, the ESS segment continues to support its customers after the sale of the products or solutions. If requested by the customers, these after sales and lifecycle management services can include the long-term storage of products and product components, the continuous surveillance of the component status for the customer's products, the evaluation of possible second or alternative component sources, the redesign, reengineering and replication of products and their components, as well as repair and replacement services.

Key Products

The following key product groups are currently offered by the ESS business segment:

- **Card-based Security Solutions.** The ESS segment designs and develops identity, security, access and privacy solutions based on chip card technology for a wide range of governmental, public sector and corporate applications, such as systems for the controlled access to facilities, networks and public services and the secure exchange of information. These products include public key infrastructure (PKI)-based security solutions, which integrate physical access capabilities, *i.e.*, the management of the physical access of persons to buildings, rooms and/or computer systems, and logical access tools, *i.e.*, systems managing the identification, authentication, authorization, level of access, and accountability in computer information systems, in one smart card-based system. The utilized PKI technology enables a secure access over internal or open networks using digital certificates to identify users. These digital certificates are stored on the smart cards, with the possibility of revoking certificates and changing authorization levels remotely without issuing new cards. Such PKI-based systems can be further expanded by adding encryption functions to the smart card, ensuring a high level of communication security. The products of the ESS segment have been certified by a number of major bodies and industry organizations, which allows the ESS segment to meet the most stringent criteria imposed by governments, public authorities and corporations in selecting suppliers.
- **Log-on Bundles.** The ESS segment's log-on bundles are combinations of smart cards, smart card readers and compatible smart card middleware used as a secure logical access control solution, based on a multi-factor authentication. The main focus of these log-on bundles is to protect networks, data bases and computers against unauthorized access by leveraging the advanced security features enabled through smart card technology. Their features include highly secure credential management, high data and network protection and the possibility of a simple administration of smart cards with the included tools (*e.g.*, card initialization and personalization as well as PIN change).
- **Electronic Invoicing Software and Related Cloud Computing Services.** The ESS segment designs and develops software solutions for electronic invoicing. The main feature of these solutions is the utilization of qualified electronic signatures which are compliant with the legal requirements for electronic invoicing in various jurisdictions, *e.g.*, allowing the invoice recipient to use such invoices for purposes of an input value added tax credit or refund under the German Value Added Tax Act (*Umsatzsteuergesetz*). The product portfolio includes software modules allowing for the provision of electronic signatures, inbox stamps and time stamps, their manual or automatic verification, data and format conversion or the issuance of credit notes, facilitating the processing of invoices and minimizing manipulation risks. All of the ESS segment's software products are designed for an easy integration into the existing software environment of its customers. The ESS segment also offers related cloud computing services, allowing its customers to use the same electronic invoicing applications via the Internet, without installing the underlying software on the customers' computer systems.
- **Secure Data Archiving and Related Cloud Computing Services.** The ESS segment also designs and develops software solutions ensuring a high security standard of data archiving and data verification processes, including high-volume data capturing, as, *e.g.*, routinely carried out by health insurance companies. The utilization of qualified electronic signatures and qualified time stamps (within the meaning of the German Act on Framework Conditions for Electronic Signatures (*Gesetz über Rahmenbedingungen für elektronische Signaturen*)) for such data archiving and data verification, makes the storage and the transfer of paper-based originals superfluous, hereby reducing administrative expenses. The secure data archiving software products also have a modular design, allowing for their customized combination and simple integration, depending on the requirements of the ESS segment's customers. Furthermore, the ESS segment offers online data archiving services for a long-term data storage, allowing its customers to use the secure archive infrastructure of the ESS segment's data centers.

In addition, the ESS segment is currently developing the following security solutions:

- ***Embedded RFID-based Solutions.*** The ESS segment intends to use the technological and process know-how gained by the ECMS segment during the currently ongoing development of RFID technology-enhanced PCBs (see “—ECMS Segment—Key Products—PCBs with Integrated RFID Tags”) for developing a modular product family of RFID-based embedded security solutions for tailored applications. The reading and writing capabilities of the microchip of such RFID technology-enhanced electronic components will allow for a tracking of all operations performed with such components. The possible application fields include complex electronic systems (*e.g.*, in the medical and healthcare, the avionics as well as the automotive industries), which require a high degree of traceability as to the operations performed with such system and the use of genuine components.

Key Services

The ESS segment also provides various value-added services related to its products and solutions, helping to establish it as an integrated provider of embedded security solutions. Apart from its production activities, the ESS segment offers a wide range of consulting development and integration services. These services include the design of technical specifications, application development, software training and software installation, the provision of logistics services as well as after sales and product lifecycle management services and aim at providing the customers with an optimal, secure and cost-efficient solution, which integrates the Exceet Group’s proprietary and all available third party technology. For more details, see “—ESS Segment—Comprehensive Value Chain”.

Customers

For the most part, the present and the targeted customers of the ESS segment are producers and service providers, who integrate the products of the ESS segment with their own systems or service offer and not the end-customers. However, the ESS segment also offers some of its embedded security services, in particular its electronic invoicing and secure data archiving services, to product end-users, such as health insurance companies and large corporations from various industry sectors. In terms of targeted market segments, the ESS segment focuses on high technology and high reliability-driven industries which the Exceet Group already is familiar with, such as medical and healthcare, avionics, security, industrial automation and government.

Certification

An important competitive advantage of the Exceet Group is that its facilities and activities satisfy a range of criteria and standards set by various industry bodies and organizations, particularly in the medical technology, IT security, financial services and automotive markets. The fact that it has obtained a large amount of the global certifications issued in its main markets, makes its products as well as its services more attractive for system integrators, whose own certification for the complete product is considerably facilitated. The Exceet Group also believes that the large amount of certifications obtained by the Exceet Group companies constitutes a high barrier to entry, due to the considerably high costs of initial and update auditings as well as the requirements to introduce and maintain predefined security and quality procedures. As a result of the amount of certifications obtained the Exceet Group is experienced and familiar with the certification processes. The companies belonging to the Exceet Group are currently certified or have applied for certification under the following standards:

Area	Certification	Certified Exceet Group Companies
Medical and Healthcare	ISO 13485	AEMtec GmbH, <i>application pending</i> Contec GmbH ECR AG gematik Winter AG
Quality	ISO 9001	AEMtec GmbH Contec GmbH ECR AG GS Swiss PCB AG Mikrap AG NovaCard Informationssysteme GmbH PPC Card Systems B.V. PPC Card-Systems GmbH VisionCard Kunststoffkartenproduktions GmbH Winter AG
IT Security	ISO 27001	PPC Card Systems B.V.
	Certification Service Provider accredited by the German Federal Network Agency (<i>Bundesnetzagentur</i>)	AuthentiDate International AG
	Product certification pursuant to the German Act on Framework Conditions for Electronic Signatures	AuthentiDate Deutschland GmbH
Financial Services	MasterCard Global Vendor Certification	PPC Card Systems B.V. PPC Card-Systems GmbH Winter AG
	Visa Vendor Certification	PPC Card Systems B.V. PPC Card-Systems GmbH Winter AG
Automotive	ISO TS 16949	AEMtec GmbH
Environmental	ISO 14001	AEMtec GmbH ECR AG Mikrap AG Winter AG
ATEX	EN 13980	ECR AG
Public Sector	BSI TR-03119 (Certificate of the German Federal Office for Information Security (<i>Bundesamt für Sicherheit in der Informationstechnik</i>) for a base reader for the new chip-based German identity card)	IDvation GmbH

Sales and Marketing

The Exceet Group performs its sales and marketing activities on a decentralized basis. Each company of the Exceet Group has its own sales and marketing organization, which are coordinated at the level of the Exceet Group by the chief executive officer of Exceet Group AG. With regard to group-wide sales and marketing activities, the chief executive officer of Exceet Group AG is responsible for the overall pricing and marketing strategy, which is re-evaluated and, if necessary, adjusted on a regular basis, determination of the annual marketing budget, definition of the marketing objectives and performance measurement as well as a global cost analysis. The various sales and marketing teams are in charge of the field sales and marketing efforts directly with the customers of the Exceet Group. They prepare sales reports, sales forecasts and other market information, submit them to the chief sales officer of Exceet Group AG and discuss them in group-wide weekly sales calls. The Exceet Group also has a dedicated key account management for major customers in its main markets.

An essential characteristic and strength of the Exceet Group's sales and marketing teams is that they combine and provide both, sales and technical consulting services and that the sales personnel also is able to discuss and offer technical solutions to the Exceet Group's customers without the need to confer with separate development and/or production experts. As a result, the customers of the Exceet Group receive information and advice on the commercial and the technical aspects of the sought and offered solutions from a single source and directly as part of the sales pitch. During the project implementation phase, the sales specialists work closely together with the procurement, purchasing and logistics teams and the production departments of the Exceet Group, typically forming combined project groups, which closely coordinate their activities related to individual projects. This organizational structure allows for a more rapid, comprehensive and efficient customer communication, sales and procurement process as well as project management, offering the customers one main point of contact that is able to deal with all aspects of the order, product development, production or another aspect of the project implementation. Another consequence of this sales and marketing structure is that the Exceet Group generally does not cooperate with distribution companies and currently has only a few external sales agents for the distribution of various products.

The objective of the marketing and communications efforts of the Exceet Group is to promote and strengthen across all of its markets, its position as a partner of choice in the embedded electronics, smart card and embedded security systems businesses. The Exceet Group particularly seeks to attract major system integrators and original equipment manufacturers (OEMs) in its key markets, which potentially have a high demand for high-quality embedded products, systems and solutions. In this context, the Exceet Group systematically analyzes its market position, in particular regarding its product and services portfolio as well as its pricing level, determines market trends and its market opportunities. Based on the definition of its key products and services and determination of its key markets, the Exceet Group approaches key market participants through its key account managers. In addition to direct customer contacts through its sales force, the Exceet Group's strategy is to reach out to customers through marketing initiatives targeted at particular geographic regions, customers or markets, including through direct mailings (about, e.g., innovative products and new applications) and specific customer events. The Exceet Group also participates routinely in major industry trade shows and congresses and seeks to achieve a high profile in print and electronic media such as specialist magazines and academic publications.

Procurement, Purchasing and Logistics

In line with the activities of the Exceet Group as a provider of customized solutions in the embedded systems, high technology cards and embedded security markets, its emphasis is on order-based procurement for each project, rather than maintaining large stocks of supplies. The Exceet Group therefore follows a preferred supplier system for each group of required products, components and raw materials, with a focus on compliance with its strict quality requirements and agreed delivery schedules. The Exceet Group has a decentralized procurement and purchasing system. As a general rule, each company of the Exceet Group is responsible for its own procurement needs. These procurement and purchasing activities are coordinated and supervised on a group level by the chief executive officer of Exceet Group AG. Whenever possible, however, the companies of the Exceet Group purchase products, components and raw materials on a joint basis. By bundling its procurement activities on a group level, the Exceet Group achieves favorable pricing conditions allowing it to price competitively *vis-à-vis* its customers.

The companies of the Exceet Group are parties to several framework agreements for the supply with products, components and raw materials required for the manufacturing of its products. Under such framework agreements, the companies belonging to the Exceet Group typically provide the supplier with a monthly rolling forecast with regard to the expected demand for certain products, components or raw materials for the next

twelve months. The purchases are effected by way of purchase orders. The agreements typically have an unlimited term and may be terminated by either party. The Exceet Group also purchases some of its required products, components and raw materials on a case by case basis by way of purchase orders without underlying framework agreements or based on single contracts. Typically, the purchase price is dependent on the amount of the ordered items and decreases if certain thresholds are exceeded.

Some of the production and service activities of the Exceet Group require warehouse capacities for the storage of raw materials, components and its final products. Particularly for its customers from the medical sector, the Exceet Group offers storage and delivery services to meet such customer's requests for guaranteed additional deliveries of the products or their original components during certain agreed time periods. Based on the Exceet Group's strategy of being an integrated solutions provider, it also offers logistics services and individual logistics concepts for its customers, depending on their requirements, *e.g.*, just-in-time deliveries, just-in-sequence deliveries or direct deliveries to storage facilities of its customers. The logistics concepts of the Exceet Group also include vendor managed inventory services, where the Exceet Group is responsible for the management and availability of products on consignment at the customer's premises. The Exceet Group prepares its products for shipping and packs them, but it does not deliver the products itself; it commissions independent shipping or logistics companies for this purpose.

Intellectual Property

With regard to intellectual property rights, the Exceet Group mainly relies on business secrets and its process and manufacturing know-how. The Exceet Group believes that, with the exception of certain parts of the business of the Exceet Group companies AuthentiDate International AG and AuthentiDate Deutschland GmbH, patent protection generally is not appropriate for its business and does not ensure a sufficient protection against unauthorized use of its process and manufacturing know-how. In particular, the Exceet Group considers the publication of its know-how as part of the patenting process to be disadvantageous, since this would make its know-how public in regions in which patent protection could be legally and/or factually unattainable. Therefore, only a limited number of patents are registered, and only a limited number of patent applications are pending, for some of the companies belonging to the Exceet Group, including, in particular, AuthentiDate International AG and AuthentiDate Deutschland GmbH. With regard to the business secrets and the process and manufacturing know-how of the Exceet Group, its policy is to maintain strict confidentiality when dealing with third parties and to oblige its customers to not disclose information about such know-how to third parties, unless required by statutory law, administrative or judicial action. Customary confidentiality provisions are also included in most of the employment contracts of the Exceet Group.

The Exceet Group companies are owners of several national trademarks and, in certain cases, also international trademark registrations for the following terms and logos: "EXCEET", "Novacard" and "CONTEC". In addition, the Exceet Group company Winter AG has applied for registration of the trademark "WINTER". The Exceet Group constantly monitors the use of trademarks and compliance with trademark rights. Furthermore, the Exceet Group registered, among other things, the following domain names: "aemtec.com", "authenticdate.de", "contec.at", "ecrag.ch", "exceet.ch", "exceet-card-group.com", "idvation.com", "mikrap.ch", "novacard.com", "ppc-card.com", "swisspcb.ch", and "winter-ag.de".

The Exceet Group usually does not enter into licensing agreements regarding intellectual property rights of third parties for its development and production processes and only occasionally grants licenses to its own intellectual property rights or know-how, in particular with regard to products and solutions of its ESS segment.

The Exceet Group believes that it currently is not dependent on any individual patents or licenses or group of patents or licenses or on any other intellectual property rights of third parties for the manufacture of its products or the provision of its services. The Exceet Group is, however, dependent on own intellectual property rights, the use of which is partly limited due to existing license arrangements. Furthermore, the Exceet Group licenses software components and uses standard software from third parties to manufacture its products and provide its services and it might take substantial effort to exchange such licensed software components or standard software if such licenses would be terminated. The Exceet Group regularly checks for any possible breaches of newly registered intellectual property rights of third parties.

Information Technology

Information technology ("IT") is an important tool in business-to-business relationships in general and in the embedded solutions business in particular. The IT systems of the Exceet Group companies handle the entire processing of projects for its customers, starting with the customers' orders and including the design and application development, the production and procurement activities as well as the after sales services for the

customers. These systems enable the Exceet Group to facilitate a productive bundling of its development and production capacities, efficient supply chain management, sourcing and supply activities, customer relations, enterprise resource planning, risk management control, as well as finance and controlling.

The IT organization primarily has a decentralized structure, which is coordinated on a group level by the chief integration officer of Exceet Group AG. Such decentralized IT strategy recognizes and supports the important role that the management of the Exceet Group's companies plays in running the day-to-day aspects of its—in terms of market segments, geographical and technological coverage—broadly diversified business. Because this business differs from market segment to market segment and to some extent from region to region in terms of activities and organization, each of the Exceet Group companies' management teams oversees the deployment of IT solutions best suited to its markets. In particular, the functionality and processes of the Enterprise Resource Planning ("ERP") systems (including SAP systems) of the Exceet Group are managed at the "local" level in order to enable the group company management to operate seamlessly with customers, suppliers, and market practices in the regions and business areas in which they operate. Ensuring highest standards of information security is also an important element of the IT strategy of the Exceet Group. The group-wide part of the IT strategy of the Exceet Group focuses on facilitating the efficient consolidation of its international financial results for reporting purposes and on providing to the Exceet Group's management an efficient tool for monitoring the sales and marketing activities across the group.

The key IT applications of the Exceet Group include its ERP systems, which cover financial and logistics processes in each of its markets. In addition, its IT systems ensure a comprehensive coverage of its supply chain communication and logistics processes, which allow the Exceet Group to (i) coordinate its purchasing and procurement activities, (ii) monitor the agreed delivery schedules for procured raw materials, parts and components, (iii) ensure an effective stock and storage management for the Exceet Group and its customers, *e.g.*, as part of the vendor-managed inventory services, (iv) lower costs for the various logistics services offered to the customers of the Exceet Group, and (v) reduce delivery times. Other key features of the IT systems of the Exceet Group are its reliable and adequate data back-up systems designed to protect against any risk of data loss.

Development

The Exceet Group performs its development activities on a decentralized basis. Each Exceet Group company has its own development unit—organized as a development department or a development project team, which is coordinated and led by the chief executive officer of such company. At the group level, the development activities are coordinated by the chief executive officer of Exceet Group AG. Depending on the specific requirements of a development project, the individual development units closely cooperate, leveraging on the know-how and competences of the integrated Exceet Group with its broad range of specializations. As of March 31, 2011, 85 employees of the Exceet Group were engaged in development projects. With its individual group companies, the Exceet Group thinks it is closer to the market and is able to maintain a more direct contact with its customers. This allows the Exceet Group to adapt its development activities faster to changing market conditions and focus on business-related topics relevant to its customers' immediate needs. In the past, the development of new products usually occurred as part of concrete projects for its customers and therefore was compensated for as part of the price payable for the product or systems order. Going forward, the Exceet Group also plans to develop new solutions in its ESS segment with a view to offering them to specific customers; in these cases, the Exceet Group will separately incur development costs or expenditure in connection with the introduction of such new products.

The development units of the Exceet Group—and as a consequence, its customers—also benefit from close ties to and cooperations with public and private research institutions and research and technology companies, such as the Fraunhofer-Institute of Reliability and Microintegration (*Fraunhofer-Institut für Zuverlässigkeit und Mikrointegration (IZM)*), the German Federal Ministry of Education and Research (*Bundesministerium für Bildung und Forschung*), IEE Vision Sensing GmbH, Ferdinand-Braun Institute, Leibniz-Institute for High Frequency Technology (*Ferdinand-Braun-Institut, Leibniz-Institut für Höchstfrequenztechnik*), Legic Identsystems AG, EHI Retail Institute, Initiative Geldkarte e.V., ICMA—International Card Manufacturer's Association, gematik Gesellschaft für Telematikanwendungen der Gesundheitskarte mbH, IDpendent GmbH, Secude International AG and ACS Advanced Card Systems Ltd. The Exceet Group believes that its development strategy allows it to react in a more flexible and more efficient way to changing technological and business conditions of the markets in which it operates.

Public Subsidies

In particular, the Exceet Group company AEMtec GmbH has received, and expects to continue to receive, public subsidies from competent national German authorities, in connection with selected development projects

initiated by its customers. Such public subsidies typically cover 30% to 50% of its total costs incurred in the course of these projects. This assistance is subject to certain conditions which must be met during a grant period of up to five years. The Exceet Group recognized public subsidies as “other operating income” in an aggregate amount of CHF 626 thousand in the financial year ended December 31, 2010.

Production Facilities, Real Property and Tangible Assets

Production Facilities

The most important production facilities of the Exceet Group are located in Austria, Germany and Switzerland. The Exceet Group also operates production sites in the Czech Republic and the Netherlands.

The table below provides an overview of the locations at which the production of the Exceet Group currently takes place:

Name of Exceet Group Company Operating the Facility	Location	Key Product Groups / Key Services	Approximate Size of Production Area (in m ²)
ECMS Segment			
AEMtec GmbH	Berlin, Germany	Production of electronic systems and electronic modules, miniaturization	1,755
Contec GmbH	Ebbs, Austria	Production of electronic systems and electronic modules	1,960
ECR AG	Rotkreuz, Switzerland	Production of electronic systems and electronic modules, express manufacturing capabilities	2,300
GS Swiss PCB AG	Küssnacht am Rigi, Switzerland	Production of printed circuit boards, express manufacturing capabilities	3,720
Mikrap AG	Einsiedeln, Switzerland	Production of electronic systems, electronic modules and embedded software	1,125
IDMS Segment			
PPC Card-Systems GmbH	Paderborn, Germany	Production of smart cards and card personalization	3,700
PPC Card Systems B.V.	Groningen, the Netherlands	Card personalization	1,000 (including warehouse)
The Art of Packaging s.r.o.	Zernovice, the Czech Republic	Production of prelamates for RFID card components, packaging services	1,000
VisionCard Kunststoffkarten-produktions GmbH	Kematen in Tirol, Austria	Production of smart cards	3,500
Winter AG	Unterschleissheim, Germany	Production of smart cards and card personalization	1,998

Real Property

The following table sets forth certain information with respect to the real property that the Exceet Group currently operates or owns and which it believes are of importance to its operations.

Location	Approximate Total Size (in m ²)	Owned or Leased	Current Use of Real Property
Berlin, Germany	2,328	Leased	Production site, office space
Ebbs, Austria	8,847	Owned*	Production site, office space
Einsiedeln, Switzerland	1,850	Leased	Production site, office space
Groningen, the Netherlands	1,600	Leased	Production site, office space
Kematen in Tirol, Austria	4,300	Leased	Production site, office space
Küssnacht am Rigi, Switzerland	4,920	Owned	Production site, office space
Paderborn, Germany	4,470	Leased	Production site, office space
Rotkreuz, Switzerland	3,500	Leased	Production site, office space
Unterschleissheim, Germany	4,775	Leased	Production site, office space
Zernovice, the Czech Republic	1,250	Leased	Production site, office space

* The acquisition of a part this real property by Contec GmbH is expected to occur in June 2011.

The property in Küssnacht am Rigi, Switzerland, is encumbered with various easements and bearer mortgage notes (*Inhaberschuldbriefe*) in the total principal amount of CHF 11,200 thousand. The property in Ebbs, Austria is encumbered with various easements and a lien (*Pfandrecht*).

The Exceet Group believes that its facilities meet its present needs and that its properties are generally well maintained and suitable for their intended use. The Exceet Group believes that it generally has sufficient space to satisfy the demand for its products in the foreseeable future but maintain flexibility to move certain operations to alternative premises.

Tangible Assets

Most of the Exceet Group's tangible assets consist of office furnishings, machinery and equipment. The Exceet Group is also involved in operating and financing leasing contracts as well as sale-and-lease-back agreements, which mainly apply to leasing of vehicles, machinery and technical equipment. Expenditure for rental and leasing installments amounted to CHF 2,556 thousand in 2010 (2009: CHF 2,534 thousand and 2008: CHF 1,058 thousand).

Employees and Pension Obligations

As of March 31, 2011, the Exceet Group had 674 employees (full-time equivalent). The table below sets forth the number of the full-time equivalent employees as of the dates indicated, broken down by the employees' functions.

	<u>As of December 31</u>			<u>As of March 31</u>
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Management and administration	46	66	86	87
Manufacturing and technology	253	335	441	451
Development	48	55	82	85
Marketing and sales	15	42	52	51
Total number of employees	<u>362</u>	<u>498</u>	<u>661</u>	<u>674</u>

With effect as of April 1, 2011, Exceet Group AG has acquired AuthentiDate International AG together with its subsidiary AuthentiDate Deutschland GmbH. As of April 1, 2011, AuthentiDate International AG and AuthentiDate Deutschland GmbH had 28 employees (full-time equivalent). Furthermore, with effect as of May 4, 2011, the intermediate holding company exceet Austria GmbH has acquired Contec GmbH. As of May 4, 2011, Contec GmbH had 98 employees (full-time equivalent) and exceet Austria GmbH had no employees. Apart from that, there have been no material changes in the number of the employees of the Exceet Group since March 31, 2011 until the date hereof.

The geographical breakdown of the employees of the Exceet Group as of March 31, 2011 was as follows: 64 staff was employed in Austria, 59 staff in the Czech Republic, 256 staff in Germany, 28 staff in the Netherlands and 267 staff in Switzerland.

The Exceet Group believes that it has good working relationships with its employees and has not experienced any significant labor disputes or work stoppages. Local works councils exist at several establishments of several Exceet Group companies, including AEMtec GmbH and PPC Card-Systems GmbH.

Since 2008, some of the Exceet Group companies have reduced their work force significantly, in particular, AEMtec GmbH, Novacard Informationssysteme GmbH and PPC Card-Systems GmbH have concluded reconciliation of interest agreements (*Interessenausgleiche*) and social plans (*Sozialpläne*) regarding, *inter alia*, a larger amount of terminations for compelling business reasons (*betriebsbedingte Kündigungen*). In 2009, the Exceet Group companies AEMtec GmbH, Mikrap AG, Winter AG and ECR AG introduced short-time working, which with the exception of Winter AG, also ended that year, while the short-time work at Winter AG ended in 2010.

As of December 31, 2010, approximately 40.1% of the employees of the Exceet Group were covered by a pension program. In Switzerland, pension obligations are covered by legally segregated assets. The retirement benefit scheme of the Swiss Exceet Group companies is organized as a legally independent pension fund under the Swiss Federal Law on Occupational Old Age, Survivors' and Invalidity Insurance (*Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge—BVG*). The pension fund provides benefits in the

event of retirement, death or invalidity. The plan's benefits are based on age, years of service, salary and on an individual old age account. The plan is financed by contributions paid by the employees and by the employer.

Some of the Exceet Group's non-Swiss companies also have pension obligations towards some of their employees. As of March 31, 2011, the Exceet Group had CHF 5,008 thousand reserved on its balance sheet relating to pension obligations and other long-term employee benefits (compared to CHF 5,138 thousand as of December 31, 2010).

Regulatory Environment

External Trade Laws

While the business activities of the Exceet Group are in general not heavily regulated, it is subject to the relevant/applicable external trade laws of the countries in which it operates, and particularly provisions on export controls, as result of its international activities. In particular, "dual-use products", *i.e.*, products that can be used for both non-military and military purposes, are subject to export restrictions of some countries that prohibit the export of dual-use products to certain countries or make their export subject to export licenses. In individual cases, this may mean that agreements to supply products to particular regions, to particular customers and/or to particular industries may not be concluded or performed under the relevant/applicable law.

Restrictions can arise in particular from Council Regulation (EC) no. 428/2009 of May 5, 2009, setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (including export lists), the Swiss Federal Act on the Control of Dual Use Goods and Specific Military Goods (*Güterkontrollgesetz*), the Swiss Ordinance on the Export, Import and Transit of Dual Use Goods and Specific Military Goods (*Güterkontrollverordnung*, the "*Swiss Goods Control Ordinance*"), the German Foreign Trade Act (*Außenwirtschaftsgesetz*) and the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*). These regulations subject the export of certain goods under certain circumstances to the control of the Swiss State Secretariat for Economic Affairs (*Staatssekretariat für Wirtschaft, SECO*) or the German Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*), respectively. The question of whether an export ban or requirement to gain approval for a particular product exists is dependent on the individual circumstances, *i.e.*, what is being exported and to which country. Even if the export of certain goods in principle does not require governmental authorization in Switzerland or Germany, such goods may be subjected to reporting or approval requirements in accordance with the Swiss Goods Control Ordinance or the German Foreign Trade Ordinance, respectively.

Regarding the ECMS segment, controls and approval requirements can particularly affect the export of embedded modules and systems as well as PCBs used for applications in the avionics segment. In the IDMS and ESS segments, the affected products include applications which use encryption technology (including related hardware, software and cards).

The Exceet Group believes to be in compliance with all relevant/applicable external trade laws, as well import and customs provisions of the various countries to which it exports its products.

Data Protection Laws

In particular with regard to card personalization services of the IDMS segment, the Exceet Group must comply with the applicable data protection laws, including the German Federal Data Protection Act (*Bundesdatenschutzgesetz*). The German Federal Data Protection Act applies mainly to public authorities and to non-public authorities, such as corporations, in particular insofar as they process personal data, *i.e.*, data regarding personal or factual circumstances of an identified or identifiable natural person. In particular for the personalization of banking cards, the Exceet Group companies pertaining to the IDMS segment receive personal data relating to the card end-user, including bank account numbers and credit or debit parameters. Such companies process and use personal data of the card end-users as instructed by their customers and as so-called data processors under the German Federal Data Protection Act. As data processors, they have to accept certain requirements in their customer agreements and provide for adequate organizational and technical measures to protect the card end-user's data. These measures include access control regarding the data processing facilities, control of authorization to access data processing systems and to access data, control of data transfers, retroactive control of data alterations, protection against accidental destruction or loss and separate processing of data collected for other purposes. The Exceet Group believes that it complies with these requirements, because its group companies, which personalize banking cards, are, for example, using data centers which provide a high

level of information security as documented by their certifications according to Visa and MasterCard standards. In addition, the Exceet Group companies which are processing personal data have appointed data security officers (*Datensicherheitsbeauftragte*) who supervise compliance with technical and organizational requirements.

Environmental Matters

The Exceet Group views its environmental responsibility as an ongoing commitment. The Exceet Group is subject to a variety of laws and regulations relating to land use and environmental protection, including those governing the clean-up of contaminated sites. It believes that it complies with all material land use and environmental protection regulations applicable to its business activities.

Legal Proceedings

The Exceet Group is involved in a number of legal and administrative proceedings mainly relating to contracts that have arisen in the ordinary course of its business. The Exceet Group is not aware of any government interventions, lawsuits, arbitration proceedings or official proceedings (including any that it knows to be pending or that could potentially be initiated) that might have or in the last 12 months have had a material negative effect on the Exceet Group's financial position or profitability.

Insurance

The Exceet Group has insurance coverage under various liability and property insurance policies for, among other things, damages in the areas of operations, environmental liabilities and business interruption. The Exceet Group's own fixed assets such as technical, IT and office equipment in its production facilities, laboratories, office locations and warehouses are protected by a bundled industrial insurance policy (damages from fire, catastrophes, burglary, piped water, storm and hail) that includes a business interruption insurance when business interruption is caused by an insured property damage. The Exceet Group does not have insurance coverage for all interruption of operations risks because in its view, these risks cannot be insured or can only be insured at unreasonable terms. There is also no protection against the risk of failure by customers to pay. The Exceet Group also has various legal services, transportation, accident and motor vehicle insurance policies.

For all members of the board of directors and the management board of Exceet Group AG as well as all managing directors and management board members of the Exceet Group companies a directors' and officers' liability insurance exists ("D&O Insurance"). The D&O Insurance policy has no deductible.

In the view of the Exceet Group, the existing insurance coverage, including the amounts of coverage and the conditions, provides reasonable protection, taking into account the costs for the insurance coverage and the potential risks to its business operations. However, the Exceet Group cannot guarantee that no losses will be incurred or that no claims will be filed against it which go beyond the type and scope of the existing insurance coverage.

Industry Overview

The information presented in this section has been derived from several sources, as there is no single industry report or other source that covers all of the areas in which the Exceet Group operates. Furthermore, the Exceet Group believes that its business operations are only to a limited extent and in parts directly comparable to other companies in the relevant industries, which should be taken into consideration when analyzing industry reports and market data; the Exceet Group believes that the available market sources therefore only represent approximations to the market segments relevant for it. The Exceet Group has derived information from third-party sources that are independent from it. See "*Cautionary Note Regarding Forward-Looking Statements and Other Information—Third-Party Information*" for more information.

Overview and Technology

As an international embedded solutions technology group, the Exceet Group is specialized in the areas of embedded intelligent electronics, card-based security technology and embedded security solutions. Its electronic products comprise printed circuit boards (PCBs), embedded electronic modules and systems, often supplemented by tailored software solutions (see "*—ECMS Segment*"). Its card-related product range includes contact and contactless smart cards, multi-functional cards and card readers (see "*—IDMS Segment*"). In the market for embedded security solutions, its product portfolio includes card-based security solutions and log-on bundles. Furthermore, the Exceet Group is currently developing secure PCBs with integrated RFID tags and secure biometric cards (see "*—ESS Segment*"). Most of its products are sold to customers in Europe, with a strong focus on Austria, Germany and Switzerland.

Embedded Systems and their Components

“Embedded system” is not a strictly definable term, as it encompasses a broad range of products and solutions. Generally, an embedded system is a computer system designed to perform one or a few dedicated functions. It is embedded, typically in miniaturized form, as part of a complete device that often comprises software, hardware (including digital, analog, mechanical, chemical and biological components) and mechanical parts.

An embedded system mainly consists of embedded modules. The fundamental part of a module is a PCB, which is populated with electronic components, depending on the specific requirements of the individual module. PCBs mechanically support and electrically connect electronic components using conductive pathways, tracks or signal traces etched from copper sheets laminated onto a non-conductive substrate.

Embedded systems form a crucial part of many devices in common use today (*e.g.*, hearing aids, medical diagnostics machines and power management systems). Most embedded systems perform crucial functions that are integral to larger devices, *e.g.*, as their control units. Embedded systems have to deal with various challenges, which go beyond the challenges that regular electronic systems have to meet, such as:

- **Real-time capability.** As part of a larger system, machine or process, which needs to deal with various requirements in real-time, embedded systems need to be able to react and function safely and reliably within a maximum fixed time under all circumstances.
- **Reliability.** Even under extraordinary circumstances (such as high vibration load) and in extreme environments (such as extremely high or extremely low temperatures), embedded systems need to function reliably and predictably, in order to avoid any damages to its environment and the larger system into which it has been integrated.
- **Functional safety.** Often, embedded systems have direct effects on humans and represent potential safety risks. Therefore, functional reliability is a key feature of embedded systems, to be guaranteed through standardized processes and the use of state-of-the-art technology and specifically trained experts. In certain industries (*e.g.*, medical technology and avionics), specific certifications are standard for embedded systems, which require evidence of an adequate safety level.
- **Informational safety.** Since embedded systems are usually integrated and connected to, and interacting with, other systems and controls through different sorts of interfaces, they need to be absolutely protected against access from third parties and against manipulation, through viruses or otherwise.
- **Limited resources.** Embedded systems are usually subject to severe limitations of resources resulting from their specific situation of use, *e.g.*, they need to be able to function properly despite a low use of energy, low memory capacity or limited space.

Some embedded systems are mass-produced, benefiting from economies of scale, while others are produced in smaller quantities and are specifically tailored to the needs of specialty products or specific environments. Physically, embedded systems range from portable devices to large stationary installations. Complexity varies from low, with a single microcontroller chip, to very high with multiple units, peripherals and networks mounted inside a large chassis or enclosure, with a strong trend towards greater complexity. As the architecture of embedded systems grows in complexity, the challenge of ensuring reliability dominates development schedules and cost. Large, complex, feature-rich systems are difficult and expensive to construct rapidly, reliably, safely and securely.

Smart Cards and Readers

A smart card, chip card, or integrated circuit card (ICC) is a pocket-sized card with embedded integrated circuits. Most smart cards either use electrical connectors (contact smart cards) to transmit data or communicate with a terminal via radio waves, using the RFID technology (contactless smart cards). Smart cards can also combine contact and contactless functionalities on a single card, which are compatible with existing card infrastructures in order to increase the card's versatility and the number of areas in which the smart card can be used. There are two major types of chip cards:

- **Memory cards**, which securely store data that can be modified at a special reading terminal. Memory cards are generally used for single applications that do not require data processing functions. Prepaid phone cards, loyalty cards and e-tickets for transportation are generally memory cards.

- **Microprocessor cards**, which store and process data and transfer processed data to a network reader. Each microprocessor card has an embedded operating system that manages the various core functions of the card, such as memory, security features, communication interfaces and crypto-engines, and which enables software programs to run on the card. The exchange of data between the card reader and the microprocessor card is controlled by the microprocessor chip operating system, which enhances the security of the system.

Contact smart cards employing electronic conductors are deployed by placing the smart card in a reader integrated into a device such as a wireless handset, POS terminal or personal computer. The smart card has a set of electrical contacts embedded in the surface of the plastic that connect to the electrical contacts in the card reader. Through the reader and using a security process between the card and the reader, the legitimacy of the card is verified. Once the card user has been authenticated, the reader can access and modify the data stored on the card and, in the case of microprocessor cards, transfer information from and to the card. Contactless smart cards do not need to be physically inserted in a reader. They contain a re-writable microchip that can be transcribed via radio waves and allows the card to interact with the reader remotely from a specified distance through an embedded antenna using a radio frequency.

The most important features that make chip cards very attractive are:

- **Security.** Chip cards can store complex algorithms and keys that can be used to encrypt information exchanged between a card and a network as well as personal identification numbers (PINs), which are secret numeric passwords that are used to authenticate the cardholder prior to a data transmission. Microprocessor chips also contain sophisticated technology that prevents unauthorized parties from tampering with the card and from accessing and manipulating the user's personal information stored on the card. This feature is particularly important in segments where privacy is a key concern, such as in healthcare, identity and other public sector applications. In addition, certain types of chip cards have embedded software that enables complex processing.
- **Portability.** As the card chip contains all of the data, the cardholder can use his/her personal data by simply transferring the card from one device to another.
- **Privacy.** As information is stored on the card itself rather than on a remote database, chip cards provide greater protection of the personal data they contain. Safeguarding privacy is becoming particularly important as the number of card applications expands, particularly in areas that rely on the secure communication and use of sensitive information such as healthcare and public records.
- **Flexibility.** Chip cards are capable of running multiple software programs or applets that enable card issuers to offer a range of services through a single card, for example, use it for providing physical access to buildings and logical access to data bases. In addition, these software programs can be downloaded and updated remotely, which allows card issuers to add services and tailor cards to changes in customer demands without having to issue new cards or replace the existing cards.

Embedded Security Solutions

Based on its market analysis as well as indications and requests from its customers, the Exceet Group believes that it has identified an evolving market for embedded security solutions, which is driven by a strong demand in specific industries for comprehensive and integrated high security products tailored to the specific requirements of such sectors. Since the market for embedded security solutions, in its view, currently is in an early development phase, there is a steadily growing variety of products and technologies which have the common objective of satisfying the customer requirements described above. The approach of the Exceet Group for covering the demand for embedded security solutions is the combination of its skills and the integration of its process and technological know-how regarding embedded intelligent electronics and smart card based or other secure technologies.

One of the relevant product groups for the embedded security solutions market are card-based security solutions, such as systems for the controlled access to facilities, networks and public services and the secure exchange of information. The basis for such systems is often a public key infrastructure (PKI), *i.e.*, a security architecture enabling users of public networks to securely and privately exchange data through the use of cryptographic digital certificates that are obtained and managed by a trusted authority. These digital certificates are stored on a smart card, which may combine the functionality of a physical access tool to buildings or rooms, and a logical access tool, allowing for the authorized access to computer information systems. Card-based security solutions can be offered in the form of log-on bundles, which are combinations of smart cards, smart card readers and compatible smart card middleware.

Another key application of embedded security solutions is integrated solutions allowing for the control of a complex system and the operations performed with such system as well as the traceability of its individual components. These solutions may be physically embedded into the structure of the controlled system (*e.g.*, on the level of the utilized printed circuit boards (PCBs)). They also must provide for a high level of physical protection against manipulation and ensure a high standard of data security. These requirements are, for example, met by PCBs with integrated secure RFID tags (*i.e.*, microchips combined with a miniaturized antenna in a compact package). Such PCBs may be integrated into various electronic systems which require a high degree of traceability as to the operations performed with such systems and the use of genuine components (*e.g.*, in the medical and healthcare, the avionics as well as the automotive industries). The Exceet Group's ECMS segment is currently developing such PCBs with integrated secure RFID tags, which the ESS segment intends to use for developing a modular product family of RFID-based embedded security solutions for tailored applications (see "*ECMS Segment—Key Products*" and "*ESS Segment—Key Products*").

Market Trends

The market trends in the individual markets in which the Exceet Group operates vary significantly. The most important trends are summarized below.

The Market for Embedded Systems and Modules

Embedded systems have become a key component in many industry segments, including automotive and avionics, industrial automation as well as medical and healthcare, and a key driver for innovation and product diversification in these areas. A major portion of all electronic modules are embedded. The main reason is the wide range of possibilities of applications of embedded systems in electronic devices, machines and systems. The major role of embedded systems is emphasized by the significant share (ranging between 10 and 20%) of embedded systems in the total development costs in many industry sectors (source (as to Germany): ZVEI, roadmap embedded systems). A large number of producers of machines and original equipment employing embedded systems in their products outsource the design and production of their embedded systems to specialized third party providers like the Exceet Group, which develop and produce such systems for them in line with their instructions and specific requirements.

In the last few years, the Exceet Group has observed two major trends in the market for embedded systems:

- Embedded modules and systems have become smaller and more compact, while their capacity, performance and speed have increased significantly. This development has led to a constant flow of new applications and use for embedded systems, such as control units for machines, and the Exceet Group expects this trend to continue and that a still increasing number of machines and devices will be equipped with intelligent embedded systems in order to improve their performance and functionalities, *e.g.*, medical diagnostic equipment.
- The Exceet Group also observes an increasing penetration of embedded systems in potential growth markets (such as the avionics and the medical equipment markets) and a growing use of embedded systems and solutions for small and mid-sized businesses (SMB) in small and mid-sized production series.

The Market for Smart Cards and Devices

Major trends across all industry sectors in the market for smart cards and related devices include the growing use of microprocessor cards containing volatile memory and microprocessor components allowing programming as opposed to pure memory cards, the increased use and demand for contactless cards and near field communication (NFC) as well as a continued strong emphasis on the security of smart cards in all industries. For example, Eurosmart (press release of December 7, 2010) predicts the proportion of contactless cards to contact smart cards to further grow in 2011, in particular dual cards combining both contact and contactless access; the contactless part of the worldwide smart card shipments has grown and is growing significantly.

Additional growth drivers in the biometrics sub-market are large-scale national and supranational initiatives introducing national ID, driving license and health insurance card schemes using biometric technology (source: F&S, EMEA biometrics market). In the healthcare area, specific key drivers for the growth of the biometrics market include the need for security applications to monitor medical staff access to electronic patient records, patient identification and medical consultation (source: F&S, EMEA biometrics market).

The Market for Embedded Security Solutions

The market for embedded security solutions is currently evolving. No definitive market trends have emerged so far. However, the Exceet Group has identified a number of various market segments, which it believes in their entirety form the embedded security solutions market.

One of such market segments is the smart card corporate security market. Growth drivers for this market include the growing desire of companies and organizations for secure access to an increasing amount of sensitive data in the context of customer relationships and business processes and to avoid fraud. This is coupled with a general focus on savings through automated business processes and comprehensive IT systems and tightened regulatory requirements as to reliable forms of identification and controlling electronic records and compliance with data privacy and access.

Another relevant segment of the market for embedded security solutions is the counterfeiting detection/avoidance market. In this regard, the Exceet Group perceives a demand from producers of complex electronic devices for comprehensive and integrated high security products tailored to the specific requirements of such producers, including the need to ensure the traceability of the individual components of a complex system.

Further relevant market segments are the markets for electronic invoicing and authentication. The main growth driver for the electronic invoicing market is the increasing pressure from trading parties to send or receive electronic invoices (source: Billentis, eInvoicing). The advanced authentication market is driven by concerns of identity fraud and identity theft, stricter financial regulations, and an increasing need for strong components within organizational risk and fraud prevention strategies.

Competitive Environment

The competitive environment in the individual markets in which the Exceet Group operates varies from market segment to market segment and is summarized below.

Competition in the Market for Embedded Systems and Modules

The market for embedded modules and systems is very fragmented. To the Exceet Group's knowledge, no other company offers precisely the same product mix like the Exceet Group nor competes with it across the various market verticals covered by the Exceet Group. Also, the Exceet Group is not aware of reliable market information as to competitors covering the entire embedded solutions market or those of its sub-segments or industries which are relevant for it.

The Exceet Group has a strong focus on the European market for embedded systems and modules, concentrating on specialty applications, custom-made products and lower volume orders. Other market participants include several large multi-national groups of companies, like Kontron AG, Mercury Technology Group, Inc., Data Response Limited or EuroTech S.p.A., offering standardized embedded products and systems, often as part of a larger product mix, in large volumes on an industrial level to industrial customers worldwide. Furthermore, there is a large amount of small and medium-sized businesses with a regional focus and/or focusing on single customers or few applications only. As a result of such deviation in terms of market geography, product range and production size, the Exceet Group does not consider any of the other market participants to be a comparable competitor of the Exceet Group in all of its products and markets in this segment.

Despite the fact that a precise market positioning of the Exceet Group is not definable and subjective as a result of the nature of the market, judging from statements of its customers, its long-lasting customer relationships and its own industry knowledge the Exceet Group believes that in the market and industry segments in Europe on which it focuses its business in the embedded systems area the Exceet Group has a leading position. With respect to the fragmented end market for medical technology, a market study prepared at the request of the Company estimates that the Exceet Group has a market share of between 10-12%, which makes it a leader in the medical technology markets and regions in which it operates.

Competition in the Market for Smart Cards and Devices

The global and European smart card market is highly diversified and subject to intense competition. There are several large multi-national groups of companies like Gemalto N.V., Nedap N.V., Giesecke&Devrient GmbH, Oberthur Technologies Group, Vasco Data Security International, Inc. or Morpho S.A. (formerly Sagem Orga) offering standardized smart cards, contact and contactless, in large volumes on an industrial level to

customers worldwide. There also is a large amount of small and medium-sized businesses focusing on specialty applications for customers which require custom-made products, lower volume orders or faster production. This is where the Exceet Group is positioned. Although in parts the Exceet Group is in direct competition with the larger competitors and offer comparable products (however, with differing production times and features in detail) a precise market positioning of the Exceet Group on a global scale or a European level is not possible, since none of its competitors is offering an identical product mix with the same features, which makes a comparison difficult. However, the Exceet Group thinks that judging from statements of its customers and market participants that in the niche market segments in Austria, Germany and Switzerland on which its IDMS segment focuses in its smart card and related devices business the Exceet Group has a leading position, in particular, being able to offer a comprehensive services package that not all of its competitors are able to offer.

Competition in the Market for Embedded Security Solutions

The relatively new market for embedded security solutions in Europe is currently evolving. At this point, no market or competitor information is available regarding the niche segments of the embedded security solutions market targeted by the Exceet Group.

Market Volumes

The markets in which the Exceet Group operates have different sizes and regional fragmentations which are summarized below.

The Market for Embedded Systems and Modules

The size of the global market for embedded systems and the various sub-markets and industry segments is difficult to estimate since it is very fragmented as a result of the multitude of applications in different industries and since there is no uniform use of the term “embedded system” in the statistics available. However, according to NICTA (study: embedded systems), since 1999, the compounded annual growth rate of embedded devices markets has been over 10% and all indicators predict an increased growth rate in the deployment of embedded systems. NICTA estimates that as of August 2010, 16 billion embedded processors are deployed with only a minor proportion in personal computers (study: embedded systems). A prognosis for the year 2009 assumes a world market volume of €71 billion and estimates a growth to more than 40 billion embedded applications until the year 2020 worldwide (source: ZVEI, roadmap embedded systems).

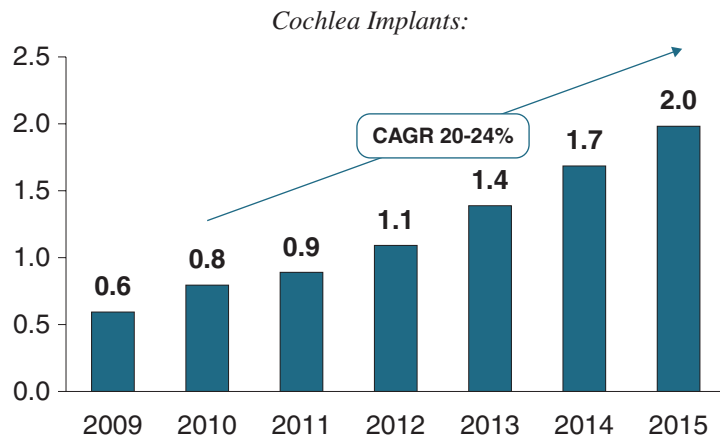
The following summary provides an overview on some of the sub-markets and industry segments for embedded systems and their components, in which the Exceet Group operates:

- **Medical Technology.** According to a study of MarketsandMarkets, the total medical diagnostics market volume in 2009 was approximately USD 178 billion and is expected to grow to approximately USD 277 billion in 2014 (suggesting a CAGR (compound annual growth rate) of 9.3%). In Germany, the market volume for medical technology was approximately €18.3 billion in 2009 (source: SPECTARIS). The European medical diagnostics market had a volume in 2009 of approximately USD 55 billion and is expected to grow at a CAGR of 9.3% to approximately USD 85 billion in 2014 (source: MarketsandMarkets).

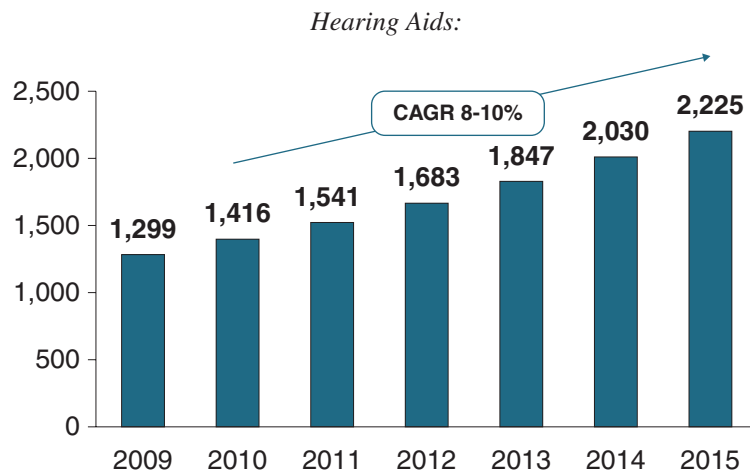
The Exceet Group is a key supplier of embedded electronic components to leading global hearing devices manufacturers, with a focus on the hearing implants market, which is estimated to grow at a faster pace than the overall hearing devices market through 2015 (source: Deutsche Bank Research, hearing devices market). It is estimated that currently less than 20% of the global population that requires a hearing device has one. As hearing devices get smaller and incorporate more features, increasing awareness and acceptance is expected to drive growth in this market. It is estimated that the overall world market for hearing devices stood at approximately USD 5.0 billion in 2009, and is expected to grow at a CAGR of more than 4% from 2009 to 2015, whereas the world market for hearing implants had an estimated size of approximately USD 1.0 billion in 2009, with a growth expectation at a CAGR of more than 15% from 2009 to 2015 to reach an estimated USD 2.3 billion in 2015 (source: Deutsche Bank Research, hearing devices market).

According to a market study prepared at the request of the Company, a number of medical technology end market sub-segments addressed by certain of the Exceet Group's products are projected to show significant growth over the next several years.

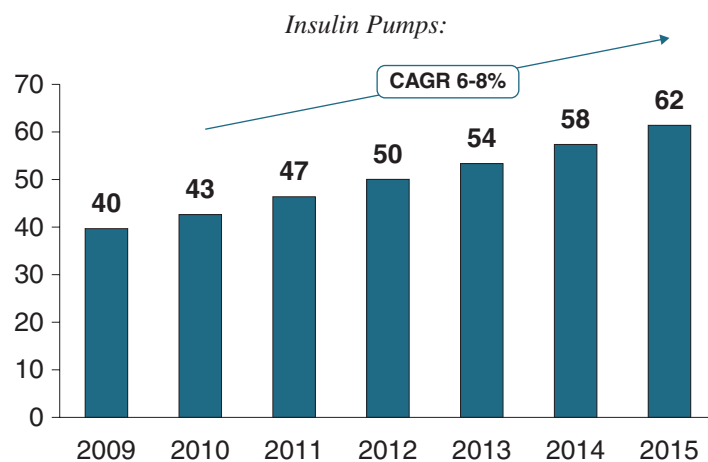
- **Cochlea Implants.** The following graph shows projected growth in the worldwide market for cochlea implants, in billions of euros, over the period 2009 to 2015.



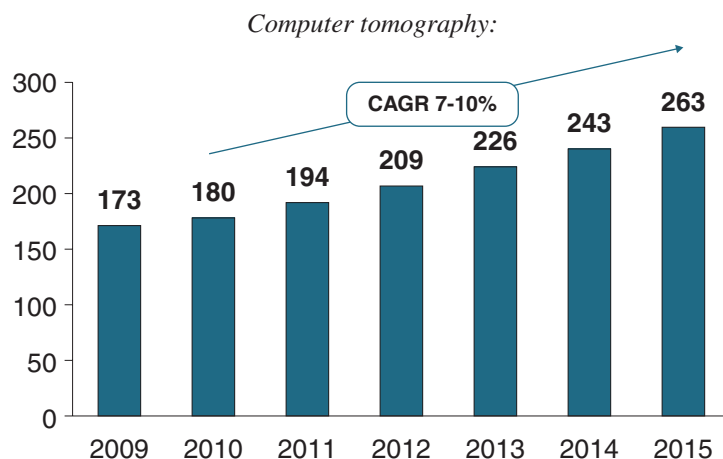
- **Hearing Aids.** The following graph shows projected growth in the market for hearing aids, in billions of euros, in Germany, Switzerland, Austria, Denmark and the Netherlands, which are referred to as the “Exceet Core Geographical Markets”, over the period 2009 to 2015.



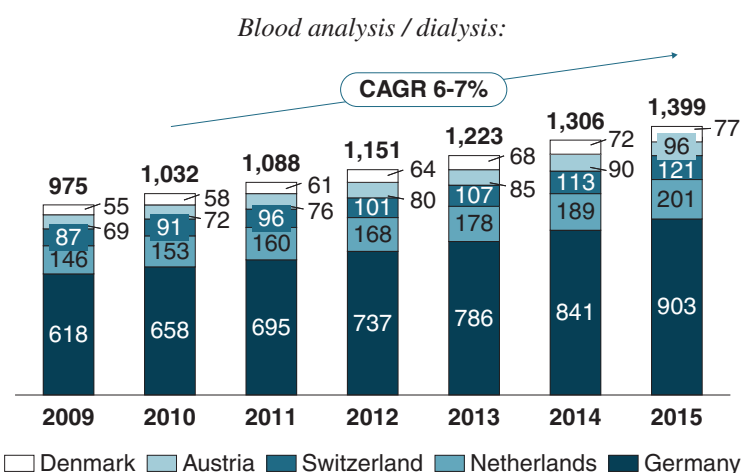
- **Insulin Pumps.** The following graph shows projected growth in the market for insulin pumps, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



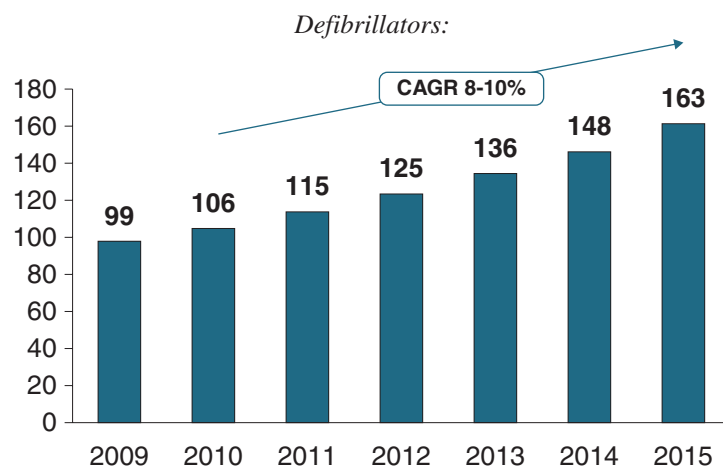
- **Computer tomography.** The following graph shows projected growth in the market for computer tomography, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



- **Blood analysis / dialysis.** The following graph shows projected growth in the market for blood analysis and dialysis, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



- **Defibrillators.** The following graph shows projected growth in the market for defibrillators, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.

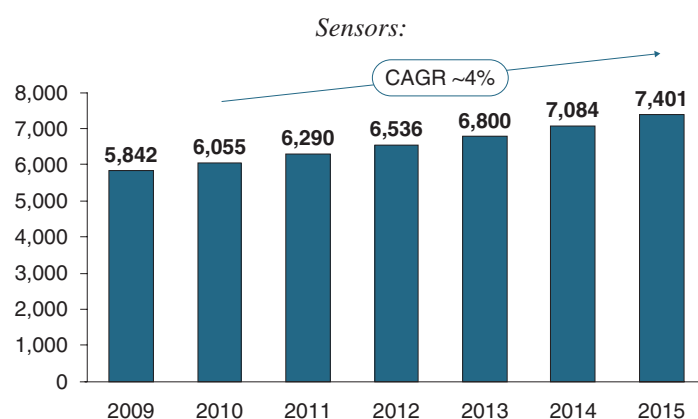


The Exceet Group also jointly develops and supplies embedded components and solutions to two major global medical equipment manufacturers. As the world moves from prescriptive to preventive medicine, and as doctors increasingly insource testing, demand for diagnostic equipment is expected to grow from USD 178 billion in 2009 to USD 277 billion in 2014 (source: MarketsandMarkets).

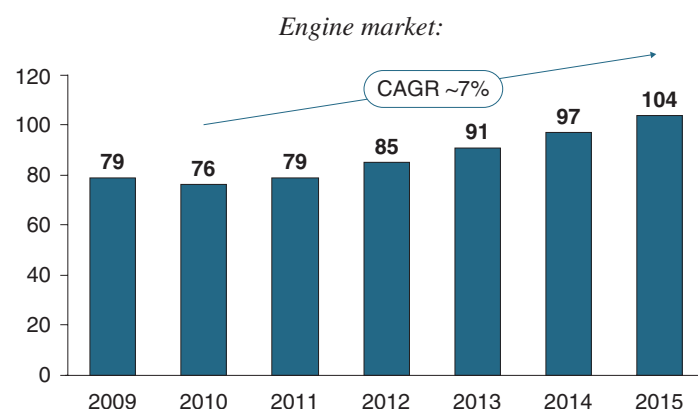
- **Industrial Automation.** The Exceet Group supplies electronic components and solutions for remote control and monitoring in the materials handling industry. According to Deutsche Bank Research (report: material handling equipment market), whilst the global material handling equipment market reached a high point in 2007, 2008 was severely impacted by lower industrial production due to the financial crisis with market volume falling by 37%. The market witnessed strong recovery in 2009 and 2010, as strong growth is witnessed in Asia. Deutsche Bank Research (report: material handling equipment market) estimates that the global materials handling market size was approximately USD 547 million in 2009 and expects it to grow to USD 840 million in 2011 (showing a CAGR of 23.9%).

According to another market study, which was prepared at the request of the Company, the industrial automation end market is expected to show strong growth in the sub-segments sensors, engines and embedded systems in Exceets core markets:

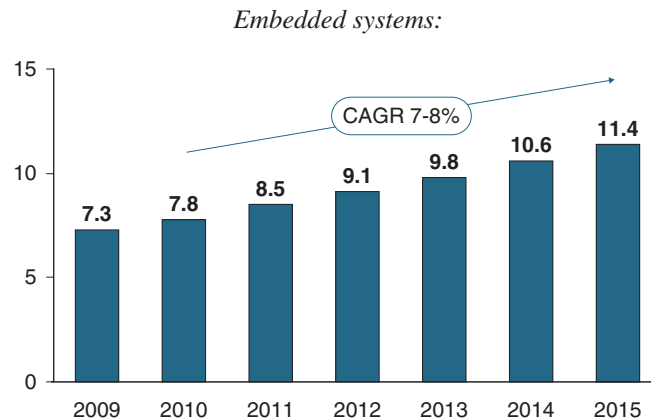
- **Sensors.** The following graph shows projected growth in the market for sensors, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



- **Engine market.** The following graph shows projected growth in the engine market, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



- **Embedded Systems.** The following graph shows projected growth in the market for embedded systems, in billions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



The Exceet Group also monitors the following sub-markets as possible areas for its future growth, although to date the Exceet Group has made only limited sales to customers in these sub-markets:

- **Power Distribution Units.** Frost & Sullivan (study: power distribution market) estimates that the revenues generated in the global digital power distribution units market were approximately USD 804.8 million in 2008 and are expected to grow to approximately USD 2,054.1 million in 2015, showing a CAGR of 14.3%.
- **Commercial Aviation Electrical Power Systems and Infrastructure.** According to Frost & Sullivan (study: aviation), the global commercial aviation electrical power systems and infrastructure market is expected to grow at a CAGR of 13.6% from 2007 to 2017, with an increase in revenues from approximately USD 6.76 billion in 2007 to approximately USD 24.21 billion in 2017.
- **Smart Grid.** A smart grid is any gas, electricity or water network that allows utilities to measure and control production, transmission and distribution more efficiently through the use of communication technology. It is estimated that the global smart grid market had a size of approximately USD 69.3 billion in 2009 and is expected to increase at a CAGR of 19.9% from 2009 to 2014, to reach an estimated USD 171.4 billion in 2014 (source: Zpryme, smart grid).

The Market for Smart Cards and Devices

Secure smart cards and devices are used on a daily basis for a wide range of purposes across many industry segments such as telecommunication, financial services, retail, secure access, transportation, and identity management. With the advancement of smart card technology in each sector these cards are replacing a number of alternative technologies, such as mechanical locks and key cards, paper or magnetic tickets for transportation or identity papers.

Within the global market for card products and services, demand for chip cards, which include microprocessor and memory cards, has grown steadily and rapidly, both geographically and by sectors of activity, since the development of the first chip card over 25 years ago. Eurosmart (world card summit presentation), a non-profit organization representing the smart security industry, estimated that in 2010, global smart card shipments were 5.3 billion cards (which represents a growth of 18% compared to 2009), and they expect global smart card shipments in 2011 to reach 6.0 billion, which would be equal to a growth rate of 13%.

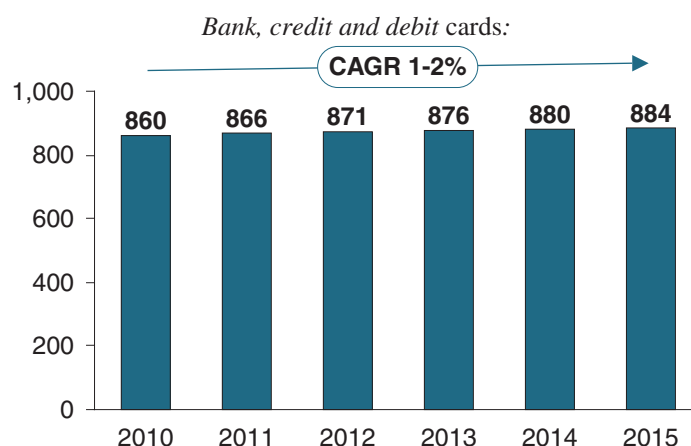
- **Financial Services.** According to Eurosmart (world card summit presentation), more than one billion payment cards will be shipped in 2011, representing a growth of 15% compared to 2010 and making this the second-largest smart cards sector worldwide, after telecommunication.

The main application for microprocessor cards in financial services is the credit and/or debit card. Europay International, MasterCard and Visa have adopted a common specification for credit and debit cards, known as the “EMV standard”, which is based on microprocessor cards. After adaption of the EMV standard in 2005, MasterCard and Visa announced that they will no longer guarantee repayments in the event of fraudulent card use in Europe, unless the fraud takes place within EMV-certified microprocessor card-based payment systems. As a result, most countries and financial institutions in

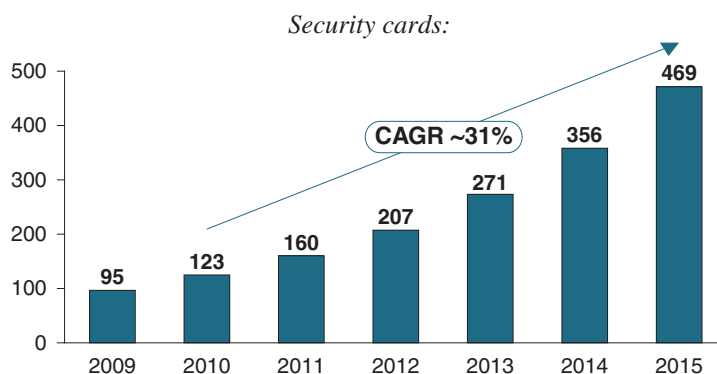
Europe and, to a lesser degree, in the United States, have migrated to the EMV standard. This migration of financial card systems to the EMV standard has been one of the key growth drivers in recent years for smart card use and, according to Eurosmart, is expected to create significant further demand in the next few years. According to Eurosmart, the growth of contactless and dual contact smart cards is particularly strong in the financial services and payments area (source: Eurosmart, world card summit presentation).

According to a market study prepared at the request of the Company, the financial services and security end market is expected to show steady growth rates in the following sub-segments:

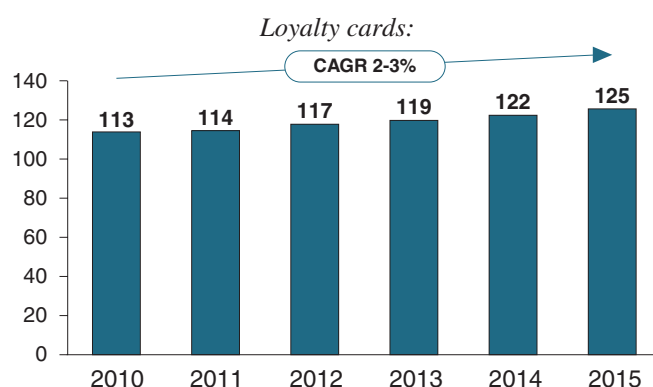
- **Bank, credit and debit cards.** The following graph shows projected growth in the market for bank, credit and debit cards, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



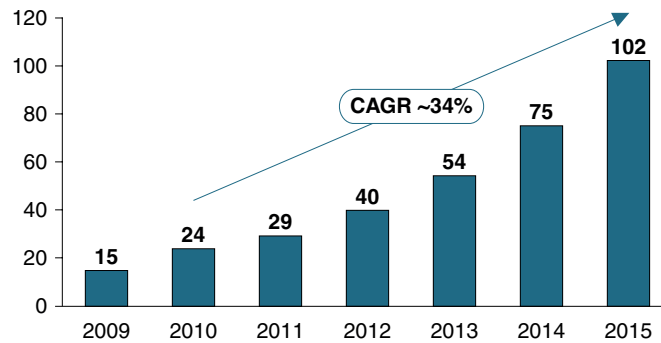
- **Access control smart card market.** The following graph shows projected growth in the market for access control smart cards, in millions of euros, in Exceet's core markets over the period 2009 to 2015.



- **Loyalty and bonus cards.** The following graph shows projected growth in the market for loyalty and bonus cards, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.

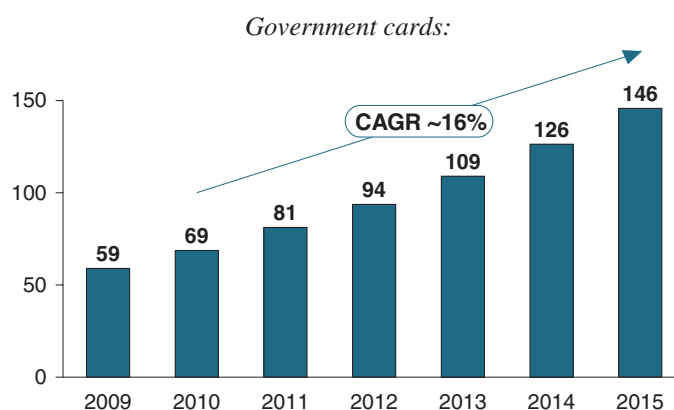


- **Transportation.** In the transportation industry, smart cards are mainly used for payment and identification purposes. The transportation industry has shown the strongest growth of all industry sectors served by the Exceet Group in recent years and, according to Eurosmart (world card summit presentation), is expected to continue to grow the strongest in 2011, with an expected 80 million shipped cards world-wide, which would represent a growth of 23% from 2010.
- **Transportation cards.** The following graph shows projected growth in the market for annual and seasonal transportation cards, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.

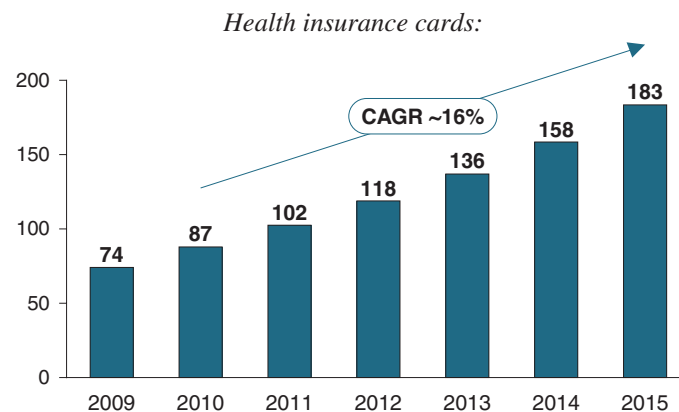


Deployment of standards-based smart card payment programs within the transportation industry has been accelerating driven by the need to reduce the costs of collecting fares and to improve convenience in connection with payment and identification for travelers. Linkages are explored between transit payment systems and smart card programs in the tolling, parking and financial industries, and there are plans to investigate how transportation payment systems and access systems can be linked through the use of multi-application smart card technology.

- **Government Identity and Healthcare.** The use of smart cards in government identification and healthcare has also shown strong growth in recent years. According to Eurosmart (world card summit presentation), a total of 190 million smart cards for this segment were shipped globally in 2010, and for 2011 shipments are expected to increase to 225 million, implying a growth of 18%. According to a market study prepared at the request of the Company, the end markets for the government cards and health insurance cards sub segments are expected to show strong growth rates until 2015:
- **Government cards.** The following graph shows projected growth in the market for annual and seasonal transportation cards, in millions of euros, in the Exceet Group's core markets over the period 2009 to 2015.



- **Health insurance cards.** The following graph shows projected growth in the market for health insurance cards, in millions of euros, in the Exceet Core Geographical Markets over the period 2009 to 2015.



The key drivers for this growth include the increasing employment of electronic identity cards (eID cards) and drivers licenses as well as the increasing demand for the issuance of European residence permits to non-EU nationals. In addition, the European legislation on the introduction of biometrics (electronic) passports (Council Regulation (EC) no. 2252/2004 of December 13, 2004 on standards for security features and biometrics in passports and travel documents issued by Member States—e-Passports), on the basis of which European member states must include RFID chips containing facial and fingerprint images in the travel documents of their citizens and amend their national laws accordingly, increased the need for and the penetration of high-end security technology in Europe. According to Frost & Sullivan (study: EMEA biometrics market), the EMEA biometrics market had a market value of €216.1 million in 2008 and is expected to grow to €1.06 billion until 2015, which would represent a CAGR between 2008 and 2015 of 25.5%.

The Market for Embedded Security Solutions

The market for embedded security solutions is currently evolving and cannot clearly be defined yet. The Exceet Group thinks it is not possible to estimate the overall volume and the regional structure of the entire embedded security solutions market as well as general market trends due to the lack of independent studies covering such market in its entirety. However, there is information regarding certain sub-segments relevant for such market.

- **Smart Card Corporate Security.** One of the main segments of the embedded security solutions market is the smart card corporate security market. It focuses on identity and access management (“IAM”), which is a collective term for a comprehensive set of solutions (including tokens and credentials) used to identify users in a system and control their access to resources within that system by associating user rights and restrictions within the established identity. A key theme currently in the IAM field is convergence. Driven by cost advantages, process automation and enhanced security, customers are increasingly demanding end-to-end secure identity management solutions combining common sets of policies, procedures, standards and technologies. As a result, there is a convergence of security systems, building management and access to IT network. According to Frost & Sullivan (study: world smart card markets), 74 billion units were shipped in the global smart card corporate security market in 2009; this is forecast to grow to 247 billion units in 2015, implying a CAGR of 18.8%.
- **Counterfeiting.** Another relevant segment is the counterfeiting detection/avoidance market. Counterfeit electronic components can compromise quality and function of devices; in some cases, this can be mission and security critical. According to estimates of Frontier Economics (study: counterfeiting and piracy), the global economic value of counterfeit and pirated products amounts to USD 650 billion every year. Furthermore, counterfeit electronic components are estimated to contribute to have contributed USD 2 – 4 billion of lost sales in 2005 (source: OECD).
- **Electronic Invoicing.** The total invoice processing market in Europe is expected to show a volume of approximately 30 billion transactions in 2011, of which electronic processing will account for approximately 10% (source: Billentis, eInvoicing). However, companies are increasingly required by trading parties to send or receive electronic invoices (source: Billentis, eInvoicing). It is estimated that the volume of electronic invoicing in Europe will grow by 35% in 2011 (source: Billentis, eInvoicing).

- **Authentication.** Only about 40% of enterprises moved away from legacy passwords for workforce local access (roughly half of those that have implemented new authentication methods for remote access (source: Gartner, authentication)). The advanced authentication market is driven by concerns of identity fraud and identity theft, stricter financial regulations, and an increasing need for strong components within organizational risk and fraud prevention strategies (source: IDC, IAM market). The perceived move to cloud computing platforms further underscores the need for advanced authentication technology (source: IDC, IAM market). As the widespread use of social networking and cloud computing increases, security threats are likely to continue to increase.

Material Contracts

Exceet Group AG and individual Exceet Group companies are parties to the following material contracts, which were either entered into in the last two years outside the normal course of business or which are of material importance for the Exceet Group and are still in effect as of the date hereof:

Acquisition and Contribution Agreements

Acquisition of VisionCard Kunststoffkartenproduktions GmbH by exceet Card Group AG

In 2009, exceet Card Group AG (formerly CardFactory AG) acquired in two steps the entire share capital in VisionCard Kunststoffkartenproduktions GmbH in the nominal amount of €35 thousand from the member of the management board of Exceet Group AG Robert Wolny. Robert Wolny held parts of the shares in VisionCard Kunststoffkartenproduktions GmbH in trust for Ulrich Reutner, another member of the management board of Exceet Group AG. Robert Wolny granted a vendor loan to exceet Card Group AG for part of the purchase price, which currently amounts to approximately €4,350 thousand (without interest accrued). Robert Wolny holds 50% of the payment claim in trust for Ulrich Reutner. The vendor loan bears interest at a rate of 100 basis points above the six-months-EURIBOR published on January 2 of each year. It shall be repaid by the Company on behalf of exceet Card Group AG, thereby reducing the cash amount to be contributed to Exceet Group AG as part of the Transaction (see “*Questions and Answers about the Proposals for Public Shareholders and Warrantholders—Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?*”). A partial share (*Geschäftsanteil*) in VisionCard Kunststoffkartenproduktions GmbH in the nominal amount of €17,850 was pledged to Robert Wolny as security for the vendor loan granted to exceet Card Group AG; Robert Wolny holds 50% of such collateral in trust for Ulrich Reutner. See also “*Certain Relationships and Related Transactions—Certain Relationships and Related Transactions of Exceet Group AG—Vendor Loan by Robert Wolny*”.

Acquisition of Contec GmbH

On March 8, 2011, two individuals as sellers and exceet Austria GmbH (formerly BVEXINTA Beteiligungsverwaltung GmbH) and Exceet Group AG as buyers entered into a share purchase agreement regarding the shares in Contec GmbH. Pursuant to such share purchase agreement, as amended on May 4, 2011, exceet Austria GmbH acquired a share representing 99.01% of the nominal share capital in Contec GmbH and Exceet Group AG acquired a share representing 0.09% of the nominal share capital in Contec GmbH. The shares in Contec GmbH were transferred to exceet Austria GmbH and Exceet Group AG on May 4, 2011. As consideration for the sold shares, the parties agreed on a purchase price consisting of one fixed part and up to two additional variable parts (*Besserungskaufpreisteile*). The first additional variable purchase price part becomes due in the event that the EBITDA of Contec GmbH achieves at least 70% of defined EBITDA targets for the financial years 2011 and 2012; the other additional part becomes due, if the EBITDA of Contec GmbH exceeds such EBITDA targets. The purchase price payable was fixed at a defined maximum amount plus liquid funds and specified net proceeds of Contec GmbH and minus liabilities of Contec GmbH. In April 2011, an initial part of the purchase price has been paid by the buyers into an escrow account. The share purchase agreement also provided for the purchase of real estate owned by one of the sellers and used by Contec GmbH for the operation of its business. On May 23, 2011, Contec GmbH and one of the sellers entered into such real estate purchase agreement. The consummation of this transaction is expected to occur in June 2011.

Acquisition of Winter AG

On September 30, 2010, Trüb AG and Exceet Group AG entered into a share purchase agreement regarding the shares in Winter AG. Pursuant to such share purchase agreement, Trüb AG sold all of the shares in Winter AG to Exceet Group AG. In the course of a two-step closing process, that included a squeeze-out of the minority shareholders of Winter AG, 100% of the shares in Winter AG were transferred by Trüb AG to Exceet Group AG

against payment of the contractually agreed purchase price. The first tranche of the shares was transferred to Exceet Group AG on December 29, 2011 and the second tranche was transferred after the completion of the squeeze-out of the minority shareholders on February 16, 2011. Following such second transfer, the stock exchange listing of Winter AG was terminated on February 18, 2011. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group—Consolidation—Expansion of Consolidation Basis in 2010*”.

Acquisition of exceet Card Group AG by Exceet Group AG

On June 30, 2009, 4,006,254 shares in exceet Card Group AG (formerly CardFactory AG) were contributed to Exceet Group AG (into the statutory reserves (*gesetzliche Rücklage*)) by Ventizz Capital Fund III without issuance of new shares on the basis of a contribution agreement. In addition, Exceet Group AG acquired another 5,000 shares from an individual shareholder of exceet Card Group AG on November 10, 2009 and one additional share from another individual shareholder of exceet Card Group AG on June 6, 2010. Currently, Exceet Group AG holds 4,011,255 shares in exceet Card Group AG (approximately 67.81% of the nominal share capital) and exceet Card Group AG itself holds 103,745 treasury shares (approximately 1.75% of the nominal share capital). The remaining shares are held by the members of Exceet Group AG’s management board Robert Wolny (partly in trust for Ulrich Reutner) and Jan Trommershausen. Prior to the Consummation, these shares in exceet Card Group AG will be transferred to Exceet Group AG against issuance of new shares in Exceet Group AG (in-kind contribution), so that following the Consummation, the shareholding of Exceet Group AG in exceet Card Group AG will be 100% (including 1.75% treasury shares).

Acquisition of AuthentiDate International AG

On March 10, 2011, Exceet Group AG entered into a share purchase agreement with Authentidate Holding Corp., the sole shareholder of AuthentiDate International AG, for the acquisition of all shares in AuthentiDate International AG. Exceet Group AG also acquired certain claims of Authentidate Holding Corp. regarding its interest in AuthentiDate International AG and assumed the net liabilities of AuthentiDate International AG. The transfer of the shares occurred on April 1, 2011. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group—Recent Developments and Outlook*”.

Credit Facility Agreements with Zürcher Kantonalbank

Credit Facility Agreement of Exceet Group AG

In 2009, Exceet Group AG entered into a credit facility agreement (*Rahmenkreditvertrag*) with Zürcher Kantonalbank (“ZKB”). The purpose of the credit facility agreement regarding a maximum credit amount of CHF 20,000 thousand was the financing of 50% of the purchase price for the acquisitions of ECR AG, GS Swiss PCB AG and Modunorm GmbH (including its subsidiary Mikrap AG). Pursuant to the credit facility agreement, the maximum credit amount is continuously reduced (and the provided loans are partially repaid) in several steps according to a defined schedule. As per March 31, 2011, a total amount of CHF 16,000 thousand was outstanding under the agreement. The credit facility agreement provides for an extraordinary termination right of ZKB with the consequence of immediate repayment of outstanding debt thereunder and payment of a prepayment penalty, if, *inter alia*, a certain leverage ratio (defined as net debt divided by EBITDA) or a certain equity ratio (defined as equity divided by the balance sheet total and calculated on a consolidated basis) is exceeded. The interest margin payable on top of a defined base interest rate (six month LIBOR) varies depending on the leverage ratio, and it decreases the smaller the leverage ratio is. In order to hedge related interest rate risks, Exceet Group AG entered into an agreement with ZKB regarding OTC derivatives. Under the facility agreement, Exceet Group AG and its subsidiaries ECR AG, GS Swiss PCB AG, Mikrap AG, AEMtec GmbH and exceet Card Group AG (formerly CardFactory AG) further agreed not to incur any further debt without the consent of ZKB, subject to certain exemptions for existing and intra-group debt as well specified external financing baskets, and not to pay out any dividends prior to full repayment of the amounts outstanding under the credit facility. The loans are secured by pledges of shares of certain Exceet Group companies and security assignments of trade receivables.

Credit Facility Agreement of GS Swiss PCB AG

In 2010, GS Swiss PCB AG entered into a credit facility agreement (*Rahmenkreditvertrag*) with ZKB regarding a maximum credit amount of CHF 5,000 thousand. The credit facility agreement provides for a leasing finance facility with a maximum amount of CHF 1,620 thousand and a LIBOR mortgage facility on a rollover basis with a specified margin payable on top of a defined base interest rate (six month LIBOR) and a maximum credit amount of CHF 3,380 thousand. On the basis of the leasing finance facility, GS Swiss PCB AG and ZKB

enter into separate leasing agreements. The purpose of the LIBOR mortgage facility is the repayment of two credit facilities provided by Credit Suisse in the amount of CHF 1,580 thousand (repaid in November 2010) and in the amount of CHF 1,800 thousand (repayment scheduled for June 2011) used for financing of real property of GS Swiss PCB AG in Küsnacht am Rigi, Switzerland. In order to hedge related interest rate risks, GS Swiss PCB AG entered into an agreement with ZKB regarding OTC derivatives in the initial principal amount of CHF 3,290 thousand. Both, the LIBOR mortgage facility and the OTC derivatives agreement have terms ending June 30, 2015. Their principal amounts are continuously reduced in several steps according to defined schedules. The LIBOR mortgage facility is secured by bearer mortgage notes (*Inhaberschuldbriefe*) on the property of GS Swiss PCB AG in Küsnacht am Rigi, Switzerland.

Governing Bodies and Management

Overview

Pursuant to Swiss corporate law, Exceet Group AG's corporate bodies are: the general shareholders' meeting (*Generalversammlung*), the board of directors (*Verwaltungsrat*) and the auditors (*Revisionsstelle*). Their powers and duties are determined by the Swiss Code of Obligations (*Obligationenrecht* - "OR"), Exceet Group AG's articles of association (*Statuten*) and the bylaws (*Organisationsreglement und Entscheidungskompetenzreglement*) of Exceet Group AG. The general shareholders' meeting is responsible for adopting fundamental decisions regarding Exceet Group AG, including the adoption and the amendment of Exceet Group AG's articles of association, the election of the members of Exceet Group AG's board of directors and Exceet Group AG's auditors. The board of directors is the executive authority of Exceet Group AG. Except for those competencies which must rest with the board of directors as a matter of Swiss corporate law, the board of directors may delegate Exceet Group AG's executive management (*Geschäftsführung*) to single members of the board of directors or third persons.

Board of Directors and Management Board of Exceet Group AG

Overview

Pursuant to Swiss corporate law, the board of directors of Exceet Group AG has the ultimate responsibility for the direction, supervision, control and organization of Exceet Group AG, which it fulfils within the scope of the duties stipulated in Article 716a CO, subject to the provisions of the articles of association and the bylaws of Exceet Group AG. The board of directors is responsible for the appointment and removal of the persons entrusted with the management of Exceet Group AG. The board of directors is also responsible for the structuring of the accounting system, the financial controls and financial planning, legal and regulatory compliance, the preparation of the annual report as well as the preparation of the general shareholders' meeting and the implementation of its resolutions, and the notification of the judge in the event of over-indebtedness. The board of directors may delegate the preparation and the implementation of its resolutions or the supervision of business activities to committees or individual members, and shall provide for adequate reporting to its members. In accordance with, and subject to, the articles of association and the bylaws of Exceet Group AG, its board of directors has delegated the executive management (*Geschäftsführung*) of Exceet Group AG to the management board (*Konzernleitung*) of Exceet Group AG.

Members of the Board of Directors

The following table sets forth, as of the date hereof, the current and the prospective members of Exceet Group AG's board of directors, their age, the date on which they were first appointed, the date on which their current appointment is scheduled to end, their position as well as their other positions in administrative, management and supervisory bodies and as partners in partnerships outside the Exceet Group during the past five years; unless stated otherwise below, these memberships are current:

Name	Age	First appointed in	Appointed until	Position	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Hans Hofstetter	48	October 23, 2006	End of ordinary general shareholders' meeting 2011*	President of the board of directors	<ul style="list-style-type: none"> • ACREMA AG, Rorschacherberg, Switzerland: president of the board of directors; • ACREMA Financial Services AG, Rorschacherberg, Switzerland: president of the board of directors; • Confidum Management Consultants AG, Rorschacherberg, Switzerland: president of the board of directors; • CWL Sports AG, St. Gallen, Switzerland: member of the board of directors; • Dagogen AG, St. Gallen, Switzerland: president of the board of directors; • ErSol Solar Energy AG (Bosch Solar Energy AG): member of the supervisory board (until 2008); • PENTAXON Investment Technologies AG, Rorschacherberg, Switzerland: member of the board of directors; • PRO-ACTIV IMMO INVEST AG, St. Gallen, Switzerland: member of the board of directors; • Sepp Fässler AG, Appenzell, Switzerland: member of the board of directors; • Sepp Fässler (Wil) AG, Wil, Switzerland: member of the board of directors; • sporteo Int. Sportmanagement (Switzerland) AG, Wil, Switzerland: member of the board of directors; • STP Swiss Therapeutic Products AG, Oberuzwil, Switzerland: president of the board of directors; • SwissOptic AG, Balgach, Switzerland: member of the board of directors; • SwissOptic Wuhan Ltd., Wuhan, China: vice president; • VEOLIA WATER SYSTEMS SCHWEIZ AG, Basel, Switzerland: president of the board of directors; and • Wicon AG, Oberuzwil, Switzerland: president of the board of directors.

* Hans Hofstetter and Ulrich Reutner will be re-appointed for another term in a general shareholder meeting of Exceet Group AG to be held prior to Closing.

Name	Age	First appointed in	Appointed until	Position	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Ulrich Reutner	46	May 27, 2009	End of ordinary general shareholders' meeting 2011*	Vice President and delegate of the board of directors	<ul style="list-style-type: none"> • ACG Identification Technologies GmbH, Walluf, Germany: managing director (until 2006); • ACG Ltd., Singapore: managing director (until 2006); • Assa Identification Technologies Austria GmbH, Kematen, Austria: managing director (until 2009); and • BCDS Ltd., Sidney, Australia: managing director (until 2006).
Thomas Brauchli	44	October 23, 2006	End of ordinary general shareholders' meeting 2011*	Member of the board of directors	<ul style="list-style-type: none"> • Arthrex Swiss AG, Volketswil, Switzerland: member of the board of directors (until 2006); • Bullet Europe GmbH, Altstätten, Switzerland: managing director; • Koopman International AG, Altstätten, Switzerland: managing director; • New England Capital Europe AG (ex officio liquidated, St. Gallen, Switzerland: member of the board of directors (until 2008); • Pensimo Management AG, Zurich, Switzerland: Compliance Officer for Pensimo Group; • Red & Yellow Holding AG, St. Gallen, Switzerland: member of the board of directors; • Ticket Online AG, St. Gallen, Switzerland: member of the board of directors (until 2010), now liquidator; • Ventizz Capital Partners AG, St. Gallen, Switzerland: vice president of the board of directors; • Ventizz Management Consulting AG, St. Gallen, Switzerland: vice president of the board of directors; • Zindel Gruppe AG, Chur, Switzerland: member of the board of directors; • Haus Friedberg Trogen AG i.L., Switzerland: liquidator; and • Haus Friedberg 2 AG i.L., Switzerland: liquidator.

* Thomas Brauchli will be re-appointed for another term in a general shareholder meeting of Exceet Group AG to be held prior to Closing.

Hans Otto Hofstetter Peloli, Swiss citizen, has been the president of the board of directors of Exceet Group AG since October 2006. Mr. Hofstetter completed his law degree at the University of St. Gallen, Switzerland, in 1987 and was admitted as attorney-at-law in 1989. Between 1989 and 1996, Mr. Hofstetter worked as an attorney-at-law at the law firm Gross, Linder & Hofstetter in St. Gallen, Switzerland, and became a partner of such firm in 1991. Between 1996 and 2000, Mr. Hofstetter worked as a partner at the law firm Hofstetter, Gründler & Neff in St. Gallen, Switzerland. Since 2000, Mr. Hofstetter has been a partner of the law firm Schoch, Auer & Partner in St. Gallen, Switzerland. Mr. Hofstetter holds board of directors and supervisory board positions with several companies.

Ulrich Reutner, German citizen, is the vice president and delegate of the board of directors of Exceet Group AG since May 2009. Mr. Reutner completed his degree in engineering at the University of Mannheim, Germany. From 1991 to 1995, he worked as team leader at the quality control department of Freudenberg & Co. KG, Weinheim, Germany, and from 1995 to 2001 as quality manager Europe at CS Interklas, Erbach, Germany. Between 2001 and 2002, Mr. Reutner was managing director of Multitape GmbH, Salzkotten, Germany, and from 2002 to 2003, he was managing director of AEG Identifikationssysteme GmbH, Ulm, Germany. From January 2004 to June 2004, Mr. Reutner worked as European projects director for Identification Technologies Group, Irvine, USA. Thereafter, he became vice president at ACG Group, Walluf, Germany, responsible for sales & marketing. In July 2004, he was appointed chief executive officer of the ACG Group. Following the merger of ACG Group and ITG Group, Mr. Reutner held the position of a vice president, responsible for sales & marketing, at ITG Group, Walluf, Germany, which later became HID. In June 2008, Mr. Reutner founded VisionCard GmbH, Kematen, Austria, and served as its managing director. After the acquisition of VisionCard GmbH by CardFactory AG (today: exceet Card Group AG), Paderborn, Germany, in November 2008, he was appointed chairman of the management board of CardFactory AG. In June 2009, Mr. Reutner became chief executive officer (CEO) of Exceet Group AG.

Thomas Brauchli, Swiss citizen, has been a member of the board of directors of Exceet Group AG since October 2006. Mr. Brauchli completed his law degree at the University of St. Gallen, Switzerland, in 1994 and was admitted as attorney-at-law in 1997. Between 1994 and 1995, he was employed as auditor at the Cantonal Court of St. Gallen, Switzerland. From May to July 1995, Mr. Brauchli worked as a legal assistant for the legal department of the Cantonal Tax Administration of St. Gallen and between 1995 and 1997, he worked for the law firm Dr. R. Müller, St. Gallen, Switzerland, as a trainee (*Substitut*). Between 1997 and 2000, Mr. Brauchli was employed at KPMG in St. Gallen, Switzerland, as attorney and legal advisor, and from 2000 to 2004, he was head of KPMG Legal in St. Gallen, Switzerland. From June to September 2002, Mr. Brauchli completed a three-months working visit as representative of KPMG legal, Switzerland, at Swiss Legal Desk c/o KLegal Solicitors, London, United Kingdom. Alongside his professional activity, Mr. Brauchli studied international business law between 2002 and 2004 and completed his LL.M. at the University of Zurich, Switzerland, in August 2004. Between 2004 and 2005, Mr. Brauchli was employed as attorney at the law firm Schoch, Auer & Partner, St. Gallen, Switzerland, and since January 2006, he has been partner of Schoch, Auer & Partner. Further, from 1994 to 2006, Mr. Brauchli was lecturer at *Höhere Fachschule für Wirtschaft* of the St. Gallen Academy, Switzerland.

The current and future members of the board of directors can be contacted at Exceet Group AG's address.

Members of the Management Board

The following table sets forth, as of the date hereof, the members of Exceet Group AG's management board (*Konzernleitung*), their age, the date on which they were first appointed, the date on which their current appointment is scheduled to end, their position as well as their other positions in administrative, management and supervisory bodies and as partners in partnerships outside the Exceet Group during the past five years; unless stated otherwise below, these memberships are current:

Name	Age	First appointed in	Appointed until	Position	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Ulrich Reutner	46	June 30, 2009	No time limitation	Chief Executive Officer (CEO)	See “—Board of Directors—Members of the Board of Directors”.
Ulrich Feisst	44	June 30, 2009	No time limitation	Chief Financial Officer (CFO)	<ul style="list-style-type: none"> • AVECS AG, Fichtenwalde, Germany: member of the supervisory board (until 2006); • Fairform GmbH, Berlin, Germany: member of the advisory board (<i>Beirat</i>) (until 2006); • Lenscare AG, Kiel, Germany: member of the supervisory board (until 2006); • Nike GmbH, Hennigsdorf, Germany: member of the advisory board (<i>Beirat</i>) (until 2006); • ProSyst Software AG, Cologne, Germany: chairman of the supervisory board; • The YOZMA Group, Herzelia, Israel: member of the advisory board (<i>Beirat</i>) (until 2006); and • X-Verleih AG, Berlin, Germany: member of the supervisory board.
Robert Wolny	42	June 30, 2009	No time limitation	Chief Operational Officer (COO)	none
Jan Trommershausen	45	June 30, 2009	No time limitation	Chief Integration Officer (CIO)	none

Ulrich Reutner, see “—Board of Directors—Members of the Board of Directors”.

Ulrich Feisst, German citizen, is Exceet Group AG's chief financial officer (CFO). He studied economics at the University of Hohenheim in Stuttgart, Germany, and the University of Lisbon, Portugal, between 1987 and 1993, graduating from the University Hohenheim in 1993. Between 1994 and 2001, Mr. Feisst worked as managing consultant for EUTELIS CONSULT GmbH, Ratingen, Germany. From 2001 to 2006, he held the position of investment director at Berlin Capital Fund GmbH, Berlin, Germany. In 2006, Mr. Feisst joined AEMtec GmbH and was responsible for business development in Switzerland until 2007. In 2007, he was appointed member of Exceet Group AG's board of directors, a position which he held until 2009. Since 2007, Mr. Feisst is Exceet Group AG's CFO. He is also managing director of ECR AG, GS Swiss PCB AG and Mikrap AG and member of the supervisory board of Winter AG.

Robert Wolny, Austrian citizen, is chief operational officer (COO) of Exceet Group AG. After completing his apprenticeship as typesetter, Mr. Wolny was employed with Schwab Druck Kartonagen GmbH, Innsbruck, Austria, between 1987 and 2000. From 1987 to 1990, he was head of the pre-press department of the company, from 1990 to 1992 he worked for the company's customer service department, from 1992 to 1994 he was production manager and from 1994 to 1997 sales manager at Schwab Druck Kartonagen GmbH. Between 1998 and 2000, Mr. Wolny was managing director of the company. In 2000, Mr. Wolny became managing director and shareholder of Schwab Partner GmbH, Kematen, Austria, and in 2001 also managing director and

shareholder of Schwab Packaging GmbH, Kematen, Austria. In 2008, he became managing director and shareholder (until 2009) of VisionCard GmbH. Since 2008, Mr. Wolny is a member of the management board of Exceet Card Group AG (formerly CardFactory AG).

Jan Trommershausen, German citizen, is the chief integration officer (CIO) of Exceet Group AG. From 1984 to 1992, he studied at the University of Münster, Germany, and completed his degree in business administration in 1992. In 1989, Mr. Trommershausen founded BIOS Orga Systeme GbR and was one of its partners until 1991. Between 1991 and 1995, Mr. Trommershausen worked as head of logistics and head of revision management for SABO-Armaturen service GmbH & Co. KG, Wiehl, Germany. Between 1995 and 1998, he was employed as head of controlling and procurement officer by DBT Deutsche Bergbau-Technik GmbH, Wuppertal, Germany. Thereafter, Mr. Trommershausen was between 1998 and 2001 managing director of DBT Maschinenfabrik Scharf GmbH, Hamm, Germany, between 2001 and 2004 management spokesman of SaarGummi GmbH, Büschfeld, Germany, and between 2004 and 2005 member of the board of directors of Westag & Getalit AG, Rheda-Wiedenbrück, Germany. In 2006, Mr. Trommershausen became member of the management board of CardFactory AG (today: Exceet Card Group AG). Apart from this, Mr. Trommershausen was between 2009 and 2010 managing director of Novacard Informationssysteme GmbH. Since March 2009, he is also member of the management board of Exceet Group AG (as chief integration officer), since 2010 managing director of AEMtec GmbH and since March 2011 member of the management board of Mikrap AG.

The members of the management board can be contacted at Exceet Group AG's address.

Senior Management

The Exceet Group companies are led by managing directors or chief executive officers, some of which, as well as other managers, have responsibility for projects for the entire Exceet Group across its three operating business segments (these managers also "Senior Management"). The members of Senior Management are:

Dr. Abhijit Frank Bose, Swiss citizen, is the chief executive officer (CEO) at GS Swiss PCB AG. Dr. Bose completed his degree in electrical engineering at ETH Zurich, Switzerland, in 1991 and obtained his doctor of technical sciences from ETH Zurich in 1995. In 2000, Dr. Bose acquired his master of business administration (MBA) from the University of Cape Town, South Africa. Between 1991 and 1992, Dr. Bose was employed as electronics engineer by Bruker-Spectrospin AG, Switzerland. From 1992 to 1995, while working on his doctoral thesis, he also collaborated as process engineer with LSI Logic Corp., Milpitas, United States. He was employed as process engineer and key account manager for Applied Materials Inc., Santa Clara, United States, from 1992 to 1998. Between 1998 and 2002, Dr. Bose worked as a freelance consultant for various semiconductor manufacturers worldwide. In 2002, Dr. Bose joined GS Swiss PCB AG as technical director, where in 2006 he was promoted to chief executive officer.

Dan-Martian Negrea, Austrian citizen, is the chief technology officer (CTO) of AEMtec GmbH. Since February 2011, he is also the chief technology officer of the ECMS segment. Mr. Negrea completed his degree in electronics and communications engineering at the Bucharest Polytechnic Institute, Romania, in 1985 and his degree in electrical engineering at the Technical University of Vienna, Austria, in 1996. Between 2000 and 2002, he also participated in a master of business administration (MBA) course at IMADEC University, Vienna, Austria, and in 2011 in a Mastering Technology Enterprise course at the International Institute for Management Development (IMD), Lausanne, Switzerland. Between 1985 and 1987, Mr. Negrea worked as development engineer at Electronica, Bucharest, Romania, and between 1987 and 1990 as research engineer at ICE, Bucharest, Romania. From 1990 to 1993, Mr. Negrea was technical service manager at Olivetti GmbH, Vienna, Austria, and from 1993 to 1995, he was employed as technical account manager with Bruel & Kjaer GmbH, a Spectris company, in Vienna, Austria. Between 1995 and 2002, Mr. Negrea held the position of manager of R&D at Viennatone Hörgeräte GmbH, a GN Resound company, in Vienna, Austria. From 2002 to 2008, Mr. Negrea was head of R&D of Valtronic S.A., Switzerland. In 2004, he founded Valtronic Technologies Romania S.r.l. Bucharest, Romania, where he was managing director until 2008. Since 2008, he is the chief technology officer at AEMtec GmbH, and since February 2011 Mr. Negrea is the chief technology officer of the ECMS segment.

Jan C. Wendenburg, German citizen, is the chief executive officer (CEO) at AuthentiDate International AG. Between 1996 and 1997, he completed coursework towards a master of business administration (MBA) at the Open University Business School in Brussels, Belgium, which he obtained in 1997. Mr. Wendenburg started his employment at Kaufhof AG, Cologne, Germany, where between 1981 and 1985 he completed his training and worked as manager. Between 1985 and 1998, he held various sales and marketing management positions at IBM Deutschland GmbH, Ehningen, Germany, including as regional branch manager. In 1998, he joined the

Windhorst Group, a German information technology group, as managing director, and in 1999 he was appointed chief operating officer of Windhorst New Technologies AG, Berlin, Germany. In July 2000, Mr. Wendenburg founded AuthentiDate International AG and has been the chairman of the management board and the chief executive officer of AuthentiDate International AG since then. Since 2003, Mr. Wendenburg is also managing director of AuthentiDate Deutschland GmbH.

The following table sets forth, as of the date hereof, the members of the Senior Management, their age, the date on which they were first appointed, the date on which their current appointment is scheduled to end, their position as well as their other positions in administrative, management and supervisory bodies and as partners in partnerships outside the Group during the past five years; unless stated otherwise below, these memberships are current:

Name	Age	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Dr. Abhijit Frank Bose	45	none
Dan-Martian Negrea	51	• Valtrnoic Technologies Romania S.r.l., Bucharest, Romania: managing director (until 2008).
Jan C. Wendenburg	50	• W-Trust GmbH, Düsseldorf, Germany: managing director.

Remuneration of Members of the Board of Directors, the Management Board and Senior Management

Members of the Board of Directors

In the financial year ended December 31, 2010, two members of Exceet Group AG's board of directors—Hans Hofstetter (president of the board of directors) and Thomas Brauchli—received a compensation for their activities as board members. Such compensation consisted of a fixed annual payment (Hans Hofstetter: CHF 20 thousand; Thomas Brauchli: CHF 10 thousand; in each case plus social cost payments). Additional services rendered are reimbursed on an hourly basis. In the financial year ended December 31, 2010, the total aggregate compensation paid to Hans Hofstetter and Thomas Brauchli was CHF 32 thousand; in addition, a total of CHF 283 thousand was paid in the financial year 2010 to the law firm Schoch Auer & Partner Rechtsanwälte, in which Mr. Hofstetter and Mr. Brauchli both are partners, for legal services rendered to Exceet Group AG (see “*Certain Relationships and Related Transactions—Certain Relationships and Related Transactions of Exceet Group AG—Legal Services Rendered by Schoch Auer & Partner Rechtsanwälte*”).

In the financial year ended December 31, 2010, the delegate of Exceet Group AG's board of directors, Ulrich Reutner, has not received any compensation in his capacity as member of the board of directors from Exceet Group AG or its subsidiaries. Regarding the remuneration of Ulrich Reutner in his capacity as member of Exceet Group AG's management board and chief executive officer of Exceet Group AG and of exceet Card Group AG, see “—*Management Board Members*”.

Exceet Group AG maintains a D&O Insurance for the members of Exceet Group AG's board of directors at Exceet Group AG's costs and with no deductible. See also “—*Insurance*”.

Management Board Members

The members of Exceet Group AG's Management Board have entered into service agreements with Exceet Group AG and/or some of the Exceet Group companies. Within Exceet Group AG, the internal decision about the remuneration of the management board members is with Exceet Group AG's board of directors. As to the compensation of the chief executive officer, the corresponding proposal is made by the president of Exceet Group AG's board of directors; in all other cases, it is made by the chief executive officer. The compensation under service agreements with Exceet Group AG and the Exceet Group companies consists of an annual fixed salary and a variable, success-oriented bonus. Such bonus is based on performance criteria which are agreed with or determined by Exceet Group AG's board of directors, Exceet Group AG's chief executive officer or the Exceet Group company which has entered into the service agreement or its supervisory board, as the case may be. The service agreements provide either for a maximum bonus amount or a defined bonus amount to be paid if the set performance criteria are met 100%. In addition, the management board members are entitled to different sets of further benefits including the usage of a company car for business and private use, on-payment of salaries in case of sickness, disability or death as well as health and pension benefits. Furthermore, the members of Exceet Group AG's management board are reimbursed for business expenses incurred by them. Some of the management board members also receive additional lump-sum allowances. In addition, the members of Exceet Group AG's management board are subject to post-contractual non-compete obligations for periods of one or two years following the termination of their service agreements. For the duration of such competition restrictions, the management board members are entitled to a compensation amounting to 50% of their last salary.

The total aggregate compensation (including fixed and variable compensation components as well as social cost payments) paid to the members of the management board of Exceet Group AG in the financial year ended December 31, 2010 was CHF 1,744 thousand. In addition, Exceet Group AG maintains D&O insurance for the members of the management board at Exceet Group AG's costs and with no deductible. See also "*—Insurance*".

In the financial year ended December 31, 2010, Exceet Group AG's chief executive officer, Ulrich Reutner, received the highest compensation among Exceet Group AG's management board members. In his capacity as Exceet Group AG's chief executive officer, under a service agreement with Exceet Group AG, Mr. Reutner was paid a fixed gross salary and a variable gross bonus in the aggregate amount of CHF 300 thousand. Furthermore, under a service agreement with exceet Card Group AG (formerly CardFactory AG), Mr. Reutner, in his capacity as the chief executive officer of exceet Card Group AG, received an additional fixed payment of CHF 60 thousand. In addition, Mr. Reutner was reimbursed for his business-related expenses, received additional lump-sum allowances in the aggregate amount of CHF 18 thousand and was provided with a company car.

Senior Management Members

Every member of the Senior Management has entered into a service agreement with one of the Exceet Group companies. Pursuant to such service agreements, the compensation of the members of the Senior Management consists of fixed and variable, success-oriented components. In addition, the members of the Senior Management are entitled to different sets of further benefits including the usage of a company car or reimbursements for the use of an own car for business purposes, a mobile phone, on-payment of salaries in case of sickness, disability or death as well as health and pension benefits. Furthermore, the members of the Senior Management are reimbursed for business expenses incurred by them on behalf of the Exceet Group companies. In addition, some members of the Senior Management are subject to post-contractual non-compete obligations for a one-year period following the termination of the service agreement. For the duration of such competition restrictions, the affected Senior Management member is entitled to a compensation amounting to 50% of his last salary.

The total aggregate compensation paid to the members of the Senior Management of the Exceet Group (including fixed and variable compensation components as well as social cost payments) in the financial year ended December 31, 2010 was approximately €450,000 (excluding Mr. Wendenburg, who was not part of the Exceet Group in 2010). Further, Exceet Group AG maintains D&O insurance for certain members of the Senior Management at the costs of Exceet Group AG and with no deductible. See also "*—Insurance*".

Convictions, Public Incriminations and Bankruptcies

There have been no convictions in relation to fraudulent offenses or official public incriminations or sanctions of any member of Exceet Group AG's board of directors, management board or Senior Management by statutory or regulatory authorities (including designated professional bodies), and these persons have never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the past five years. Except for insolvency proceedings of ProSyst Software AG, where Ulrich Feisst is the chairman of the supervisory board, there have been no bankruptcies, receiverships or liquidations with which any member of Exceet Group AG's board of directors, management board or Senior Management, acting in the capacity of a member of the administrative, management or supervisory bodies of the entity concerned, was associated, for the past five years.

Corporate Governance

In addition to the provisions of the CO, Exceet Group AG's principles and rules on corporate governance are laid down in its articles of association and its bylaws. It is the duty of Exceet Group AG's board of directors to review and amend or propose amendments to those documents from time to time to reflect the most recent developments and practices as well as to ensure compliance with applicable laws and regulations.

Conflicts of Interest

None of the members of Exceet Group AG's board of directors or management board have any private interest or other duties which could potentially conflict with their duties to Exceet Group AG.

To Exceet Group AG's knowledge, there are no family relationships between any members of the board of directors and/or the management board.

Share Capital

Current Share Capital

The share capital of Exceet Group AG currently amounts to CHF 22,287,000. It currently is divided into 22,287 ordinary registered shares (*Namensaktien*) with a par value of CHF 1,000 each; at the Consummation, it will be divided into 22,287,000 ordinary registered shares with a par value of CHF 1.00 each. The share capital of Exceet Group AG has been fully paid in. Neither Exceet Group AG nor its subsidiaries currently hold any shares of Exceet Group AG.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE EXCEET GROUP

You should read the following discussion and analysis of the financial condition and results of operations of the Exceet Group in conjunction with the “Selected Historical and Pro-Forma Financial Information of the Exceet Group AG” and the Exceet Group AG’s consolidated financial statements and pro-forma financial information included in the “Financial Statements” section of this proxy statement. For an explanation of the preparation of the pro-forma financial information, also see “Selected Historical and Pro-Forma Financial Information of Exceet Group AG”.

The following discussion and analysis is based on the audited consolidated financial statements of Exceet Group AG as of and for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG as of and for the three months ended March 31, 2011 and 2010, all prepared in accordance with IFRS. Additional information in this proxy statement has been taken from the pro-forma financial information of Exceet Group AG for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, prepared in accordance with the German Auditors Institute (IDW) Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004). Some of the performance indicators and ratios reproduced below were taken from Exceet Group AG’s accounting records.

The following discussion contains forward-looking statements that are subject to various risks and uncertainties. The actual results of the Exceet Group may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those described under “General Information—Cautionary Note Regarding Forward-Looking Statements” and elsewhere in this proxy statement, including under “Risk Factors”.

Where financial data in the following tables is labeled “audited”, this means that it was taken from the audited consolidated financial statements mentioned above; however, the tables as such have not been subject to an audit. The label “unaudited” is used in the following tables to indicate financial data (including pro-forma financial information) that was taken or derived from a source other than the audited consolidated financial statements mentioned above. The financial data presented in the text and tables in this section of the proxy statement is either shown in thousands of Swiss francs (CHF thousand) or thousands of euros (€ thousand), commercially rounded to one decimal point. Unless expressly otherwise noted, the percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point. Because of this rounding, the figures shown in the tables do not in all cases add up exactly to the respective totals given, and the percentages shown do not always add up exactly to 100%.

Overview

The Exceet Group is an integrated international embedded solutions technology group, specialized in embedded intelligent electronics and card-based security technology and embedded security solutions. The Exceet Group’s product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of its customers and of specific sectors. The Exceet Group serves customers in various sectors, including medical and healthcare, industrial automation, financial services, security, avionics, transportation, government as well as retail. The Exceet Group believes itself to be one of the leading providers of embedded electronics and security solutions in Europe. Currently, its business operations are organized into three business segments: Electronic Components Modules & Systems (“ECMS”), ID Management & Systems (“IDMS”) and Embedded Security Solutions (“ESS”). In its ECMS segment, the Exceet Group develops and manufactures complex embedded electronic products with a strong focus on miniaturization, cost optimization for its customers and just-in-time availability. In its IDMS segment (which until the end of the financial year 2009 was called “Auto ID” segment), the Exceet Group focuses on the designing and manufacturing of contact and contactless smart cards, multi-functional cards and card readers, as well as providing related services. In its newly established ESS segment, the Exceet Group focuses on the development of highly customized embedded security solutions, which fulfill highest security standards. The Exceet Group consists of a total of 16 direct and indirect subsidiaries with ten production facilities located in five European countries, allowing it to benefit from specific local advantages (e.g., customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of the Exceet Group’s customers.

The total revenue of the Exceet Group for the financial year ended December 31, 2010 was CHF 165,215 thousand and for the three months ended March 31, 2011 was CHF 45,819 thousand. The Exceet Group’s ECMS segment accounted for 66.5% and 68.0% of its total revenue in the financial year ended December 31, 2010 and

the three months ended March 31, 2011, respectively, and the Exceet Group's IDMS segment for 33.5% and 32.0%, respectively. Since the group's ESS segment only commenced its separately reported operations on April 1, 2011, no separate revenue can be shown for such segment for the periods since 2008. The EBITDA of the Exceet Group (which the Exceet Group defines as operating result before interest and income taxes ("EBIT") plus amortization and depreciation) for the financial year ended December 31, 2010 was CHF 24,477 thousand and for the three months ended March 31, 2011 was CHF 7,208 thousand. The Exceet Group had 674 employees (full time equivalent) as of March 31, 2011.

For further information on the business of the Exceet Group, see "*Business of the Exceet Group*".

Presentation of Financial Information

Unless otherwise indicated, the consolidated financial information of Exceet Group AG presented in this proxy statement has been prepared in accordance with IFRS. Exceet Group AG's audited consolidated financial statements for the financial years ended December 31, 2010, 2009 and 2008 and Exceet Group AG's unaudited consolidated interim financial statements for the three months ended March 31, 2011 and 2010 have been prepared in accordance with IFRS.

The historical financial statements of Exceet Group AG for the financial year ending December 31, 2010 do not contain any income statement data regarding Winter AG, which was acquired as of December 29, 2010. The consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011 do not contain any income statement and balance sheet data regarding Contec GmbH, which was acquired through an intermediate Austrian holding company by way of a share purchase agreement dated March 8, 2011, and which acquisition closed on May 4, 2011. To reflect the changes to the Exceet Group occurring due to the acquisition of Winter AG as of December 29, 2010 as well as the acquisition of Contec GmbH as of May 4, 2011, Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, which presents the acquisitions of the afore-mentioned two companies as if they had taken place at the beginning of the financial year 2010. This pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the current financial situation of the Exceet Group or its current results. This information does not purport to represent what the Exceet Group's actual results would have been had the acquisition of the afore-mentioned two companies taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group. See "*Pro-Forma Financial Information of the Exceet Group*".

The consolidated financial statements as of and for the financial years ended December 31, 2010, 2009 and 2008 have been audited by PricewaterhouseCoopers AG, Zurich, Switzerland, as set forth in their auditor's report included in the "*Financial Statements*" section of this proxy statement. The consolidated interim financial statements as of and for the three months ended March 31, 2011 are unaudited.

Comparability of Financial Data

During the period covered by the Exceet Group's historic consolidated financial statements until the date of this proxy statement, Exceet Group AG acquired a total of 14 companies (including subsidiaries of the directly and indirectly acquired companies) and businesses, which subsequently were integrated into the Exceet Group, in implementation of its "buy-and-build" strategy (for details, see "*Segmentation*" and "*Key Factors Affecting the Results of Operation of Exceet Group AG—Acquisitions and Integration of Acquired Businesses*"). These companies were all consolidated during the year or period of closing of their acquisition with the effect that due to the contribution of the acquired companies' revenues, costs and results of operations, the Exceet Group recorded, depending on the month of closing of the acquisition, significant changes in these line items in its income statement of the year or period. In addition, the revenues, costs and results of operations of the acquired businesses only partly contributed to the Exceet Group's income statement in the year or period of their acquisition while in the following year their revenues, costs and results of operations were recorded for the entire financial year. This should be taken into account when reviewing the Exceet Group's financial data and results of operations. In order to better describe the effects the acquisitions had on the Exceet Group's performance over the periods covered by its historic consolidated financial statements and to distinguish between organic revenue and EBITDA margin development and revenue and EBITDA margin development through acquisitions the

Exceet Group has provided additional information on the non-IFRS measures organic revenue development and restated EBITDA margin development (both as defined by it), gross profit margin, EBITDA margin and selected other margins and ratios, where the Exceet Group deemed it appropriate.

In addition, to reflect the changes to the Exceet Group occurring due to the closing of the acquisitions of Winter AG on December 29, 2010 and of Contec GmbH on May 4, 2011, Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and the three months ended March 31, 2011, which reflects the acquisitions of Winter AG and of Contec GmbH as if they had both taken place on January 1, 2010. However, the Exceet Group did not include pro-forma financial information showing the acquisitions of the eight companies (including subsidiaries of the directly and indirectly acquired companies) and businesses, which Exceet Group AG acquired and integrated into the Exceet Group in the financial years ended December 31, 2008 and 2009 (for details, see “—Segmentation” and “—Key Factors Affecting the Results of Operation of the Exceet Group—Acquisitions and Integration of Acquired Businesses”). In the financial year ended December 31, 2009, these acquisitions included all the companies forming the former CardFactory group, which now form the IDMS segment of the Exceet Group. For a discussion of the pro-forma financial information for the financial year ended December 31, 2010 and the three months ended March 31, 2011, see “Pro-Forma Financial Information of the Exceet Group”.

Key Operating Measures

The discussion below includes non-IFRS financial measures that are not included in the consolidated financial statements of Exceet Group AG. These measures have not been reviewed by an outside auditor, consultant or expert. The management of Exceet Group AG believes that these non-IFRS measures provide valuable information to readers because they enable the reader to focus more directly on the underlying day-to-day performance of the Exceet Group’s business and are frequently used by securities analysts, investors and other interested parties in the evaluation of companies. These non-IFRS financial measures include EBITDA and EBITDA margin, which the Exceet Group uses as supplementary figures for purposes of corporate controlling, as well as free cash flow, working capital, net debt and leverage ratio. As defined by the management board of Exceet Group AG, these terms may not be comparable to similar terms used by other companies.

- **EBITDA**, as defined by the Exceet Group, is equal to operating result before interest and income taxes (“EBIT”) plus amortization and depreciation (“EBITDA”). The Exceet Group defines “EBITDA margin” as EBITDA divided by total revenue and is expressed as a percentage. In the view of the management board of Exceet Group AG, EBITDA and EBITDA margin both provide a reliable view of the routine operating performance of the Exceet Group. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet the Exceet Group’s cash requirements, and the historical operating results of the Exceet Group cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results.
- **Free cash flow**, as defined by the Exceet Group, is operating cash flow minus tax minus capital expenditure. It is an indicator of the internal financing power of the Exceet Group and shows whether investments, in particular with respect to new target companies, can be funded from cash flows and how much cash is available for debt servicing and payment of dividends.
- **Working capital**, as defined by the Exceet Group, is inventories plus trade receivables minus trade payables and is the measure by which the Exceet Group assesses the operating liquidity available to it for its day to day operations.
- **Net financial debt**, as defined by the Exceet Group, is the interest-bearing debt (included short-term borrowings, long-term borrowings and finance leases) less cash and cash equivalents. Net financial debt shows the amount of a company’s debt if all liabilities were to be repaid using liquid funds.
- **Leverage ratio**, as defined by the Exceet Group, is net financial debt divided by EBITDA and is the main financial covenant the Exceet Group has to comply with under certain of its credit facility agreements to meet the requirements of its financing bank.

Structure of the Exceet Group

The group holding company of the Exceet Group is Exceet Group AG with its registered office in St. Gallen, Switzerland. Exceet Group AG plans to change its registered office to the Canton of Zug, Switzerland, in the near term. As the holding company, Exceet Group AG exercises certain group management

functions such as strategy, mergers and acquisitions and integration, risk management, group accounting and controlling, treasury, legal, taxation, investor relations, group marketing and public relations, while the different operating subsidiaries of the Exceet Group each act as a profit center with own IT, accounting, controlling, technology, human resources, purchasing, sales and marketing. All members of the management board of Exceet Group AG also hold managing director positions in the subsidiaries of the Exceet Group. Where Exceet Group AG provides services to individual group companies, the services are charged with the exception of services in connection with mergers and acquisitions and integration of acquired companies into the Exceet Group. The costs of providing the services are also reported and allocated in accordance with an agreed formula considered appropriate for the type of service in question.

Consolidation

As per March 31, 2011, a total of 12 direct and indirect subsidiaries in Austria, the Czech Republic, Germany, the Netherlands and Switzerland (as per December 31, 2010: 12 subsidiaries; as per December 31, 2009: 10 subsidiaries; as per December 31, 2008: four subsidiaries) were consolidated for purposes of preparing the consolidated financial statements of the Exceet Group. At the date of this proxy statement there still is a non-controlling interest in exceet Card Group AG of 30.44% (Exceet Group AG currently only holds 67.81% of the shares of such subsidiary, which holds treasury shares of 1.75%); this non-controlling interest is held by the members of Exceet Group AG's management board Robert Wolny (50% held in trust for Ulrich Reutner) and Jan Trommershausen. However, prior to the Consummation, the afore-mentioned members of the management board of Exceet Group AG will transfer their shares in exceet Card Group AG to Exceet Group AG against issuance of new shares in Exceet Group AG (in-kind contribution), so that following the Consummation, the shareholding of Exceet Group AG in exceet Card Group AG will be 100% (including 1.75% treasury shares).

Investments of Exceet Group AG in subsidiaries are fully consolidated. These are entities over which Exceet Group AG directly or indirectly exercises control, which is typically presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than 50% of the voting power of an entity. For the consolidated entities, 100% of assets, liabilities, income and expenses are included. Exceet Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to the Exceet Group, and are excluded from the consolidation as of the date the Exceet Group ceases to have control over the company. Intercompany balances and transactions (including unrealized profit on inter-company inventories) are eliminated in full.

With share purchase agreement of March 8, 2011, Exceet Group AG acquired the Austrian company Contec GmbH through Exceet Austria GmbH, an Austrian intermediate holding company of Exceet Group AG, and with share purchase agreement of March 10, 2011, Exceet Group AG acquired the German company AuthentiDate International AG (including its subsidiary AuthentiDate Deutschland GmbH) (see "*Business of the Exceet Group—Material Contracts—Acquisition and Contribution Agreements*"). Closing of the acquisition of AuthentiDate International AG occurred on April 1, 2011, and closing of the acquisition of Contec GmbH occurred on May 4, 2011. The Exceet Group AG will consolidate Contec GmbH and AuthentiDate International AG in its next consolidated interim financial statements for the six months ending June 30, 2011 and show Contec GmbH as part of its ECMS segment and AuthentiDate International AG as part of its new ESS segment (see below "*Segmentation—ESS Segment*").

Consolidation Basis in the First Three Months of 2011

In the three months ended March 31, 2011, no change to the group of consolidated companies of the Exceet Group occurred compared to December 31, 2010.

Expansion of Consolidation Basis in 2010

In the financial year ended December 31, 2010, the group of consolidated companies of the Exceet Group was expanded by the following acquisitions:

Company	Acquisition date	Acquired shareholding (in %)	Share in revenue and profit in 2010	
			Revenue (in CHF thousands)	Profit/Loss (in CHF thousands)
			(unaudited)	
Winter AG	Dec. 29, 2010	100.0*	0	0
The Art of Packaging s.r.o.	Dec. 31, 2010	100.0	0	0
Sum of first consolidation acquisitions 2010			0	0

* On December 29, 2010, in a first step 95.12% of the shares in Winter AG were transferred to Exceet Group AG, with the remaining 4.88% being transferred in a second step on February 16, 2011.

The goodwill resulting from the above acquisitions of a total of CHF 2,172 thousand is attributable mainly to the skills and technical talent of the acquired business' workforce, the acquired infrastructure and the synergies expected to be achieved. Because the effects of the acquisition of Winter AG on Exceet Group AG's consolidated income statement from December 29, 2010 to December 31, 2010 were immaterial for the Exceet Group, Winter AG was consolidated as if it had been acquired on December 31, 2010.

Expansion of Consolidation Basis in 2009

In the financial year ended December 31, 2009, the group of consolidated companies of the Exceet Group was expanded by the acquisition of the CardFactory group, which forms the core of its current IDMS segment:

Company	Acquisition date	Acquired shareholding (in %)	Share in revenue and profit in 2009	
			Revenue (in CHF thousands)	Profit/Loss (in CHF thousands)
			(unaudited)	
CardFactory AG (now: exceet Card Group AG)(1)	June 30, 2009	67.81(2)	32,253	(128)

- (1) exceet Card Group AG is the sole direct shareholder of PPC Card System GmbH, NovaCard GmbH and VisionCard GmbH.
- (2) The remaining 32.19% are currently held (i) by the members of the management board of Exceet Group AG, Robert Wolny (50% held in trust for Ulrich Reutner) and Jan Trommershausen (jointly, 30.44%), and (ii) as treasury shares (1.75%). However, effective as per the Consummation, the afore-mentioned members of the management board of Exceet Group AG will transfer their shares in exceet Card Group AG to Exceet Group AG against issuance of new shares in Exceet Group AG (in-kind contribution), so that following the Consummation, the shareholding of Exceet Group AG in exceet Card Group AG will be 100% (including 1.75% treasury shares).

CardFactory AG (now exceet Card Group AG) was under common control by the same shareholder (Ventizz) which controlled Exceet Group AG. The difference between the consideration given and the aggregate book value of the assets and liabilities as of the date of the acquisition of CardFactory AG was recorded as an adjustment to equity, and no additional goodwill was created by the transaction, in addition to the existing goodwill of CardFactory AG.

Expansion of Consolidation Basis in 2008

In the financial year ended December 31, 2008, the group of consolidated companies of the Exceet Group was expanded by the following acquisitions:

Company	Acquisition date	Acquired shareholding (in %)	Share in revenue and profit in 2008	
			Revenue (in CHF thousands)	Profit/Loss (in CHF thousands)
			(unaudited)	
Modunorm GmbH*	Feb. 29, 2008	100.0	12,927	1,164
AEMtec GmbH	Sep. 30, 2008	100.0	6,441	(394)
Sum of first consolidation acquisitions 2008			19,368	770

* Modunorm GmbH was purely a holding company with only one operating subsidiary, Mikrap AG; Modunorm GmbH was subsequently merged into Exceet Group AG effective as per January 1, 2009.

The goodwill recognized on the acquisition of Modunorm GmbH is attributable mainly to the skills and technical talent of the acquired business' workforce and the synergies expected to be achieved. Since AEMtec GmbH was a company under common control by the same shareholder (Ventizz) which controlled Exceet Group AG, the difference between the consideration given in the aggregate book value of the assets and liabilities of AEMtec GmbH as of the date of the transaction was recorded as an adjustment to equity, and no additional goodwill was created by the transaction.

Segment Reporting

The Exceet Group's segment reporting is based on its three operating business segments, representing different operating subsidiaries, which each act as a profit center and with different core competences, and one non-operating segment comprising Exceet Group AG and its two intermediate holding companies. The segmentation is based on management's internal reporting. Until March 31, 2011, the Exceet Group only had two operating business segments, the ECMS segment and the IDMS segment. In the financial year ended December 31, 2008, each company pertaining to the Exceet Group formed a different business segment; however, as of the beginning of the financial year ended December 31, 2009, all of these Exceet Group companies were grouped together to form the newly established ECMS segment. The IDMS segment was added with the acquisition of CardFactory AG (now exceet Card Group AG) as per July 2009. Subsequent to the closing of the acquisition of AuthentiDate International AG on April 1, 2011, a third business segment "Embedded Security Solutions" (ESS) was formed, which will be included in Exceet Group AG's segment reporting in the interim financial statements for the six month period ending June 30, 2011. Exceet Group AG's "Corporate and others" segment includes its three non-operating holding companies, Exceet Group AG, exceet Card Group AG (formerly CardFactory AG) and Exceet Austria GmbH, the Austrian intermediate holding company of Exceet Group AG which acquired Contec GmbH. For the three operating segments of the Exceet Group as well as the "Corporate and others" segment Exceet Group AG currently presents several line items in its segment reporting, *inter alia*, segment revenue and operating result (EBITDA), and for its third operating segment "Embedded Security Solutions" Exceet Group AG will do so going forward.

ECMS Segment

The development and manufacturing operations of the Exceet Group in the field of complex embedded electronic products are reported as "ECMS" (in the financial statements for the financial years ended December 31, 2008 and 2009, this segment was called "electronic, components & systems" (ECS)). These operations are characterized by a wide variety of innovative embedded electronic solutions tailored to sector- and customer-specific requirements and sold to customers from a broad range of industries worldwide. The following subsidiaries formed part of the ECMS segment of the Exceet Group as of March 31, 2011: Mikrap AG, ECR AG, GS Swiss PCB AG and AEMtec GmbH. As of May 4, 2011, Contec GmbH also forms part of the ECMS segment. Total revenue generated by the ECMS segment was CHF 109,863 thousand for the financial year ended December 31, 2010 and CHF 31,174 thousand for the three months ended March 31, 2011. EBITDA for the ECMS segment for the financial year ended December 31, 2010 was CHF 23,690 thousand and for the three months ended March 31, 2011 CHF 7,858 thousand.

The following table sets forth selected financial data derived from the segment reporting of the ECMS segment for the financial years ended December 31, 2010, 2009 and 2008 and for the three months ended March 31, 2011 and 2010:

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(unaudited)		(in CHF thousands)		
			(audited)		
External revenue	31,174	24,559	109,860	87,834	81,669
Inter-segment revenue	0	0	3	0	0
Total revenue	31,174	24,559	109,863	87,834	81,669
Operating result (EBITDA)*	7,858	4,856	23,690	9,206	11,847
Depreciation and amortization	(1,485)	(1,408)	(5,890)	(5,863)	(4,584)
Operating result (EBIT)	6,373	3,448	17,800	3,343	7,263

* The Exceet Group defines "EBITDA" as operating result before interest and income taxes ("EBIT") plus amortization and depreciation. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current

business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet the Exceet Group's cash requirements, and the historical operating results of the Exceet Group cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results. Since not all companies compute EBITDA in the same way, the computation of EBITDA chosen by the management of the Exceet Group is not necessarily comparable with similar terms used by other companies.

IDMS Segment

The activities of the Exceet Group in the area of designing and manufacturing of contact and contactless smart cards, multi-functional cards and card readers, as well as providing related services is reported as "IDMS" (until December 31, 2009, this segment was called "Auto ID") and the Exceet Group focuses on tailor-made, innovative solutions applying highest quality and security standards. The following subsidiaries formed part of the Exceet Group's IDMS segment as of March 31, 2011: the direct and indirect subsidiaries of exceet Card Group AG - VisionCard GmbH, PPC Card System GmbH and PPC Card System B.V., Winter AG, NovaCard GmbH, IDvation GmbH and The Art of Packaging s.r.o. Total revenue generated by the IDMS segment was CHF 55,357 thousand for the financial year ended December 31, 2010 and CHF 14,649 thousand for the three months ended March 31, 2011. EBITDA for the IDMS segment for the financial year ended December 31, 2010 was CHF 4,714 thousand and for the three months ended March 31, 2011 CHF 1,489 thousand.

The following table sets forth selected financial data derived from the segment reporting of the IDMS segment for the financial years ended December 31, 2010, 2009 and 2008 and for the three months ended March 31, 2011 and 2010:

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)				
	(unaudited)		(audited)		
External revenue	14,645	11,207	55,355	31,654	n/a
Inter-segment revenue	4	5	2	0	n/a
Total revenue	14,649	11,212	55,357	31,654	n/a
Operating result (EBITDA)*	1,489	751	4,714	2,809	n/a
Depreciation and amortization	(654)	(561)	(2,117)	(1,121)	n/a
Operating result (EBIT)	835	190	2,597	1,688	n/a

* The Exceet Group defines "EBITDA" as operating result before interest and income taxes ("EBIT") plus amortization and depreciation. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet the Exceet Group's cash requirements, and the historical operating results of the Exceet Group cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results. Since not all companies compute EBITDA in the same way, the computation of EBITDA chosen by the management of the Exceet Group is not necessarily comparable with similar terms used by other companies.

Embedded Security Solutions Segment

In the consolidated interim financial statements of Exceet Group AG for the six months ending June 30, 2011, Exceet Group AG will be reporting its development and manufacturing operations in the field of intelligent embedded security solutions in its new business segment "Embedded Security Solutions" (ESS), which focuses on the development of highly customized segment-specific embedded security solutions. The catalyst of such business segment is the recently acquired AuthentiDate International AG, together with the IT access business of Winter AG and the business of IDvation GmbH. Since such ESS business segment only commenced its separately reported operations on April 1, 2011, no separate revenue or profit data can be shown yet for such segment for the periods covered by its historic consolidated financial statements.

Corporate and Others Segment

The following table sets forth selected financial data derived from the segment reporting of the "Corporate and others" segment for the financial years ended December 31, 2010, 2009 and 2008 and for the three months ended March 31, 2011 and 2010; the non-operating holding companies Exceet Group AG, exceet Card

Group AG and except Austria GmbH, which form the “Corporate and others” segment of Exceet Group AG, do not have business dealings with third parties and only derive inter-segment revenue from transactions with Exceet Group companies:

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)		(in CHF thousands)		
	(unaudited)		(audited)		
External revenue	0	0	0	0	0
Inter-segment revenue	158	106	418	399	0
Total revenue	158	106	418	399	0
Operating result (EBITDA)*	(2,139)	(1,025)	(3,927)	(1,510)	(13)
Depreciation and amortization	(9)	(8)	(39)	(5)	0
Operating result (EBIT)	(2,148)	(1,033)	(3,966)	(1,515)	(13)

* The Exceet Group defines “EBITDA” as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet the Exceet Group’s cash requirements, and the historical operating results of the Exceet Group cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results. Since not all companies compute EBITDA in the same way, the computation of EBITDA chosen by the management of the Exceet Group is not necessarily comparable with similar terms used by other companies.

Geographic Segmentation

The following table sets forth a breakdown of the total sales of the Exceet Group by country of end customer as per December 31, 2010, 2009 and 2008, which shows the geographic segments according to the region or country in which the Exceet Group’s products are used:

	Revenues 2010 (in CHF thousands)	in % of total 2010 revenue	Revenues 2009 (in CHF thousands)	in % of total 2009 revenue	Revenues 2008 (in CHF thousands)	in % of total 2008 revenue
			(audited)			
Switzerland	50,369	30	43,680	37	55,717	68
Europe	105,470	64	70,015	58	22,655	28
USA/Asia	9,376	6	5,793	5	3,297	4
Total	165,215	100	119,488	100	81,669	100

Key Income Statement Items

Revenue

The Exceet Group recognizes its revenue from the sale of intelligent embedded electronics products and solutions, smart cards and card readers as well as from the provision of related services. The revenue from the sale of produced goods and prototypes is recorded as income at the time of delivery to the customer. Trade discounts are deducted. Sales of services are recognized in the accounting period in which the services are rendered. Sales are recognized net of value added tax and discounts upon delivery of products and reasonably assured collectability of the related receivables. Inter-company sales are eliminated.

The Exceet Group typically sells its products through purchase orders under contracts that include fixed or determinable prices and that generally do not include a right of return or similar provisions or other significant post-delivery obligations. The Exceet Group is also increasingly providing a range of services to its customers in all of its business segments. Services are primarily bundled with the Exceet Group’s embedded product or card product offerings, with only a relatively small portion of services being sold separately.

ECMS Segment

Revenue from sales of the Exceet Group’s ECMS products varies according to the prices of its products and sales volumes. The Exceet Group develops and manufactures its products in the ECMS segment on the basis of

single orders from a broad range of customers with different needs as to complexity of the products and order sizes. Accordingly, order sizes vary from a few pieces (prototyping) to mid-size volume series. Generally, the more intelligent and high-capacity the development and required features of the products, the higher the price the Exceet Group can obtain for these products.

IDMS Segment

Revenue from sales of the Exceet Group's card products varies according to sales volumes, the prices of its products and the mix of products sold. Revenue from these products generally varies significantly depending on the technology used. The Exceet Group's card products cover a wide range of technologies, including plastic cards, magnetic strip cards, memory cards and microprocessor cards (with more sophisticated technological content). Generally, the more sophisticated the technology used in its products, the higher the price the Exceet Group can obtain for these products. As a result, revenue in the IDMS segment of Exceet Group AG tends to rise when sales volumes of more technologically advanced products increase.

The Exceet Group in particular supplies financial cards to financial institutions. The contract term is generally one year. Financial cards expire on average within two to three years after their issuance, after which they are automatically replaced. As a result, annual contracts are awarded largely for the supply of replacement cards. The magnetic strip cards activities of the Exceet Group constitute a conventional volume business, which means that, because these cards are generally sold at low prices, revenue from sales of these cards varies mainly as a function of volumes sold. The IDMS revenue attributable to financial microprocessor cards increased constantly since 2008. Revenue from card personalization services and sales of modules to other card manufacturers accounted for the remainder of its IDMS revenue with financial cards.

ESS Segment

With the operations of the Exceet Group in the separately reported ESS segment having started only recently, the Exceet Group has not yet derived substantial revenue from the sale of embedded security solutions and is in contact with a limited group of customers for the development of new solutions for authentication of electronic modules and production thereof in smaller volumes. The revenues from the ESS segment are not stable yet and are expected to be subject to higher fluctuation than in the two other established operating business segments of the Exceet Group. The Exceet Group believes that it will be able to sell its specifically developed sector-specific solutions in its ESS segment with higher margins than for individual products from its ECMS and IDMS segments due to their complexity and the development work involved in the Exceet Group's specific embedded solutions.

Other Operating Income

Other operating income primarily includes income from government benefits (*e.g.*, for certain development projects initiated by its customers), license fees, shipments, insurance companies, rental and gains on sale of assets.

Financial Income

The financial income of the Exceet Group reflects interest received on the bank deposits of Exceet Group, foreign currency exchange gains and their value gains on the interest cap which the Exceet Group entered into to limit its exposure to interest exchange risk.

Expenses

The expenses of Exceet Group AG in the financial years ended December 31, 2010, 2009 and 2008 and in the three months ended March 31, 2011 and 2010 consisted of the following positions:

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(unaudited)		(in CHF thousands)		
			(audited)		
Cost of sales	33,965	28,682	129,848	103,022	64,925
thereof, development costs	1,968	1,729	7,783	n/a	n/a
Distribution costs	2,899	2,448	10,680	8,373	5,253
Administrative expenses	4,433	2,440	10,658	7,060	4,878
Financial expense	760	668	3,605	2,050	2,763

Cost of Sales

The cost of sales of the Exceet Group include cost of raw materials and consumables used, changes in inventories of finished goods and work in progress, personnel costs, depreciation, amortization and impairment of tangible and intangible assets, repair and maintenance expense, leasing and rental expense, insurance costs as well as other operating expenses. Raw material costs and personnel expenses were by far the largest positions of the Exceet Group's costs of sales in the financial years ended December 31, 2010, 2009 and 2008 and the three months ended March 31, 2011. Cost of sales has ranged between 78.6% and 86.2% (in 2009) of the Exceet Group's revenues over the last three financial years.

Development Costs

The development costs of the Exceet Group are mainly related to the development of customer projects and products, process development and optimization for the production. In the past, the Exceet Group has not undertaken separate research on new products, processes and technologies and has therefore not separately accounted for related expenses in the consolidated financial statements for the financial years ended December 31, 2010, 2009 and 2008; rather, the development of new products usually occurred as part of concrete projects for its customers and therefore was compensated for as part of the price payable for the product or systems order. However, in the interim consolidated financial statements for the three months ended March 31, 2011, the Exceet Group decided to show development costs in the notes as part of its costs of sales to allow better comparability with other technology companies. See also "*Business of the Exceet Group—Development*".

Distribution Costs

The distribution costs of the Exceet Group include expenses of personnel directly related to sales and marketing as well as costs related to advertising, public relations, industry trade shows, trade publications and promotion materials. These costs have ranged between 6.4% and 7.0% (in 2009) of the Exceet Group's revenues over the last three financial years.

Administrative Expenses

The administrative expenses of Exceet Group consist primarily of personnel costs related to financial accounting, human resources, IT, legal and other administration functions, and overhead costs that are not directly attributable to another operating function, including outside professional fees such as audit, tax and legal as well as IT and other consulting fees. In the three months ended March 31, 2011, the administrative expenses of the Exceet Group also included the costs of the abandoned initial public offering of Exceet Group AG in an amount of CHF 1,042 thousand. The administrative expenses have ranged between 5.9% and 6.5% of the revenues of the Exceet Group over the last three financial years.

Financial Expense

The financial expense of the Exceet Group reflects interest expenses on bank borrowings, foreign currency exchange losses, financial expenses for shareholder loans and financial lease expense.

Income Tax Expense

Income tax expense reflects primarily income tax of the Exceet Group companies in their countries of residence. The principal components of the Exceet Group's income tax expenses include current recognized tax losses carry forwards and deferred tax expenses and deferred tax income. The effective tax rates of the Exceet Group were 21.38% in the financial year ended December 31, 2010, 25.39% in the financial year ended December 31, 2009 and 20.99% in the financial year ended December 31, 2008.

Key Factors Affecting the Results of Operations of the Exceet Group

Exceet Group AG believes that the following factors have contributed substantially to the development of the business and the financial, earnings and liquidity position of the Exceet Group in the past three years and are expected to continue to have a major impact:

General Economic Conditions and Development of Target Markets

The business of the Exceet Group in all of its business segments in Europe and globally depends on the demand of its customers for embedded modules, devices and solutions, and/or smart cards and related services or combinations thereof, which in turn depends to a large extent on general economic conditions in the regions,

countries and localities in which the customers of the Exceet Group operate, as well as the economic conditions that affect its own customers. When general economic conditions improve or deteriorate, investment of the Exceet Group's customers and the production of and demand for machines and devices which require sophisticated embedded electronic parts tend to show corresponding movements, particularly in those industry sectors or political or geographic areas most affected by such changes in economic conditions. Changes in economic conditions, particularly when they are widespread, pronounced and/or long-lasting, can and do affect the results of the Exceet Group. In particular the global financial and economic crisis in the years 2008 to 2010 led to reduced spending and investments also in those industries in which the Exceet Group is active, with negative repercussions for its business as well. However, the target markets the Exceet Group addresses with its products were affected by the crisis to a lesser extent than those industries which rely heavily on exports, such as the automotive industry.

For more information on risks related to economic conditions, see *“Risk Factors—Risks Relating to the Business of the Exceet Group—The markets that the Exceet Group has targeted for a substantial part of its future growth, in particular through its ESS Segment, are still in the stage of development and may not develop rapidly or profitably”* and *“Risk Factors—Risks Relating to the Business of the Exceet Group—General business conditions and cyclicity in the industries and markets in which the major customers of the Exceet Group operate, as well as negative economic conditions, could cause a decrease in demand, which could have a material adverse effect on the business, financial condition and results of operations of the Exceet Group.”*.

Demand for the products of the Exceet Group is also driven by the technological development and general market trends on its target markets and at its customers. New technologies, the trend towards further miniaturization or the use of new or improved materials usually lead to product improvements, new product features or new product developments at the customers of the Exceet Group, which often also requires the use of new embedded electronic parts or control systems. The same dynamic applies if end customers demand new features of the products of the customers of the Exceet Group. These developments have particularly benefited developers and producers of specialized embedded electronics modules and solutions like the Exceet Group.

New Products and Services

Since the financial year 2008, also through various acquisitions, the Exceet Group has constantly enlarged its product and services offering and introduced new technologies and product functionalities to its customers to meet their specific requests and maintain its market position. As of July 2009, the acquisition of the CardFactory group (now exceet Card Group), the Exceet Group has been able to offer to its customers a large variety of contact and contactless smart cards and card-related services and also to develop new smart card products using its embedded technology. Since the financial year 2010, the Exceet Group has been working on the introduction of new sector-specific embedded security solutions, which combine know-how, technologies and products of both its ECMS and IDMS segments and which involve cards and reading devices in combination with embedded electronic modules; these activities have led to the introduction of the Exceet Group's third operating segment ESS. In the past, the development of new products usually occurred as part of concrete projects for the Exceet Group's customers and therefore was compensated for as part of the price payable for the product or systems order. Going forward, the Exceet Group also plans to develop new solutions in its ESS segment with a view to offering them to specific customers; in these cases, the Exceet Group will separately incur development costs or expenditure in connection with the introduction of such new products.

Acquisitions and Integration of Acquired Businesses

Since its formation in the year 2006 until the date of this proxy statement, Exceet Group AG, directly and indirectly, acquired 16 companies in Austria, the Czech Republic, Germany, the Netherlands and Switzerland (see *“—Consolidation”* and *“—Recent Developments and Outlook”*) and subsequently integrated them with their businesses into the Exceet Group. This implementation of the Exceet Group's “buy-and-build” strategy had a large impact on its business and results of operations in the past and upon full realization of synergies will continue to impact the Exceet Group:

- The major impact of the acquisitions both in terms of required resources and expenses is the integration of the acquired businesses into the Exceet Group from an operational viewpoint and with respect to organization, structure and processes. Although the individual subsidiaries of the Exceet Group and after their acquisition continue to act as profit centers within the Exceet Group with their own specific operations and processes, the Exceet Group implements measures to improve their performance and profitability and to stream-line their cost base and improve their margins. Such measures include the integration of the companies into the reporting of the Exceet Group and accounting and its management and personnel structures, the consolidation of selected centralized functions and core competencies for

the Exceet Group as a whole (e.g., sales, purchasing), the reduction and elimination of redundancies, implementation of cost cutting measures such as closures of unnecessary establishments, personnel reductions as well as harmonizing and realigning the Exceet Group's strategy. The Exceet Group also analyzes and assesses possibilities to realize synergies with other group companies, such as sharing of know-how at all development and production levels, re-engineering and optimization of processes or shifting parts of productions to low cost production facilities. The integration of newly acquired companies and the measures to be implemented differ from case to case, depending on the specific circumstances of the acquired business. Despite the Exceet Group's experience and track record of successful integrations this process may take several months to complete, and the cost related to the integration of its subsidiaries varies significantly from case to case. As a result of the acquisition of less profitable companies (or, in exceptional cases, loss-making companies) and the incurrence of expenses related to integration and cost cutting measures at some of the newly acquired subsidiaries, the Exceet Group has experienced temporary periods of lower EBITDA and EBITDA margins. The Exceet Group continues to evaluate further acquisition opportunities (see "*Business of the Exceet Group—Strategy of the Exceet Group*"), accordingly, acquisition and integration effects will continue to affect its business and results of operations in the future.

- As a result of the acquisitions, the Exceet Group significantly enlarged its product and services offering as a group, grew its portfolio of available technologies and strengthened its customer base, both by industry sector and geographically. With the integration of CardFactory AG (now exceet Card Group AG) and its subsidiaries alone the Exceet Group added the entire IDMS segment with its specific products to its product portfolio, also allowing it to offer more and more products across segment lines and solutions feeding from several technological and know-how sources.
- Along with the acquisitions of ECR AG, GS Swiss PCB AG, Mikrap AG, AEMtec GmbH, VisionCard GmbH, PPC Card-Systems GmbH, PPC Card-Systems B.V., The Art of Packaging s.r.o. and Winter AG, the Exceet Group also added new production facilities as part of its ECMS and IDMS segments in Germany, Switzerland, the Netherlands and the Czech Republic. For further details see "*Business of the Exceet Group—Production Facilities, Real Property and Tangible Assets—Production Facilities*".
- The acquisitions (i.e., the purchase price and other acquisitions costs payable) and the integration had to be financed and the payments accounted for a large part of the expenses of the Exceet Group in any of the last three financial years and the first three months of 2011. The purchase prices were mostly paid out of the free cash flow and leveraged with bank borrowings, with the exception of the acquisitions of AEMtec GmbH in 2008 and CardFactory AG (now exceet Card Group AG) in 2009, where no purchase price was payable, since the shares in these companies were contributed by Ventizz into the statutory reserves (*gesetzliche Rücklage*) of Exceet Group AG without issuance of additional shares to Ventizz. Some of the purchase agreements provide for an increase of the purchase price payable to the seller(s) if certain financial measures at the target companies are met or exceeded in a defined time period after closing of the acquisition.
- The acquisitions and the subsequent integration bound a large portion of the Exceet Group's management's time and attention, both at the holding level and at the level of the operational group companies, which will continue in case of new acquisitions in the future.

Customer Structure

The business of the Exceet Group in both its ECMS and IDMS business segments is characterized by long-standing relationships with its customers, some of which have been with the Exceet Group for more than ten years. Despite the challenging financial and economic environment, the Exceet Group has continued to benefit from a resilient customer base and during the financial crisis the Exceet Group did not lose any of its important customers. While in the financial year ended December 31, 2010, none of the Exceet Group's customers accounted for more than 10% of the Exceet Group's revenues, the revenue allocable to its top ten customers in such year was at 51.6%, with a strong concentration on customers from the medical technology industry. However, these top ten blue chip companies were served by different Group companies from its business segments, and the Exceet Group provided a large variety of its products and solutions to different business units of such customers located in several countries. These strong customer relationships have to a large degree stabilized the revenue streams of the Exceet Group in the last three years. On the other hand, the dependency on a small circle of large blue chip customer groups accounting for large parts of the Exceet Group's sales has made the group more vulnerable to revenue losses if one of these customers stops or reduces the overall volume of business its group companies conduct with the Exceet Group.

Cost Structure and Cost Reduction Measures

The by far most significant costs of the Exceet Group are raw materials and consumables used for the production of its products and solutions (which accounted for approximately 50% of its cost of sales in the financial year ended December 31, 2010), followed by personnel costs (which accounted for approximately 28% of its cost of sales in the financial year ended December 31, 2010). Both cost items have grown substantially in absolute numbers over the years as a result of the Exceet Group's business extension on the one hand and the acquisitions of new companies on the other hand, however, as a percentage of its total revenue they have decreased over the last three financial years, with approximately 53% raw material costs and approximately 30% personnel costs in the financial year ended December 31, 2009 and approximately 52% raw material costs and approximately 29% personnel costs in the financial year ended December 31, 2008. One of the largest expenses within the raw materials is attributable to the purchase of chips of different qualities, which the Exceet Group uses for all of its business segments and of which the group tries to keep sufficient chip quantities on stock to avoid shortages and to be able to deliver with short times-to-market, as often is required by the Exceet Group's customers. However, in the periods covered by the Exceet Group's historic consolidated financial statements, the Exceet Group has suffered from temporary shortages of supply with chips, which sometimes affected its ability to manufacture and deliver its products on time. In the financial year ended December 31, 2010, its payments for chips supplies accounted for the largest part of its total raw material expenses. The personnel costs of the Exceet Group mainly are fix and consist of salary and social security contributions.

The Exceet Group constantly evaluates possibilities to reduce its cost of sales and to streamline its production processes in its operating subsidiaries and the various facilities, in particular with respect to newly acquired companies, also using potentials for economies of scale and scope.

Competitive and Pricing Pressure

The Exceet Group experiences competition in certain parts of its markets. Most of the markets in which the Exceet Group operates are highly fragmented, with a few large, international manufacturers and a large number of small and medium-sized local companies focusing on few products and a select group of customers. Most of the large international manufacturers, which operate in mass markets, have substantial production capacities in low-cost countries and/or significantly greater financial resources than the Exceet Group does, which may provide them with necessary financial support to invest more in development and technology enhancements of their standard products and further production capacities than the Exceet Group, to secure new contracts or to effectively compete for existing demand for a small part of the products or solutions the Exceet Group offers. In this mass market environment, apart from technological innovation and production speed, competitive pricing is also a key factor in determining which company, among qualified contractors, will be awarded a contract, in particular since the customers of the Exceet Group are under pricing pressure as well and exploit their market power when purchasing. See also *"Risk Factors—Risks Relating to the Business of the Exceet Group—Some of the markets in which the Exceet Group operates are highly competitive and the Exceet Group might be adversely affected if it were unable to adapt to competitive threats"*.

Seasonality

Certain aspects of the business of the Exceet Group are subject to seasonal fluctuations. In particular in the IDMS business, the Exceet Group regularly has disproportionately low revenues in the first two quarters of a calendar year, because some of its IDMS segment's customers typically order larger amounts of smart cards in the second half of the year, in particular towards the end of the year (typical examples include orders of annual tickets for public transportation or smart card-based ski passes). The ECMS business of the Exceet Group is more stable and only shows limited fluctuations from quarter to quarter, and its experience with embedded security solutions so far does not provide for a basis to assess any revenue fluctuations and seasonal effects. See also *"Risk Factors—Risks Relating to the Business of the Exceet Group—The revenues and profits of the Exceet Group are subject to fluctuation"*.

Certain Consolidated Results of Operations

In the financial year ended December 31, 2008, the Exceet Group derived revenues only from its EMCS business activities. In the financial years ended December 31, 2009 and 2010, its revenues were generated in its EMCS segment and its IDMS segment (since July 2009). The ESS business of the Exceet Group was established as a formal business segment with separate segment reporting only after March 31, 2011. The few revenues the Exceet Group realized in this field prior to the establishment of the new business segment are not reflected in the following discussion separately but, in the financial year ended December 31, 2010 and in the first three months ended March 31, 2011, as part of the Exceet Group's ECMS and IDMS segment revenue.

The income statements of Exceet Group AG that are subject of the analysis below have been prepared using the “cost of sales” method (*Umsatzkostenverfahren*). Income statements presented in accordance with the cost of sales method classify expenses according to their function as part of cost of sales. Income statements presented using the nature of expense method classify expenses according to the nature of the expense and not among various functions that comprise its operations. For purposes of preparing the consolidated financial statements of Exceet Group AG for the financial years ended December 31, 2010, 2009 and 2008 and its consolidated interim financial statements for the three months ended March 31, 2011 and 2010 and going forward, Exceet Group AG will use the “cost of sales” method as it believes it gives a better view of expenses and also facilitates comparison to other companies in the Exceet Group’s industry.

The following table sets forth selected financial data from Exceet Group AG’s income statement and additional performance measures used by the Exceet Group for the periods indicated. The financial information has been extracted or, with respect to the additional performance measures, derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2011 and 2010, from the audited consolidated financial statements as of and for the financial years ended December 31, 2010, 2009 and 2008 and from the unaudited pro-forma financial information for the year ended December 31, 2010 and as of and for the three months ended March 31, 2011.

	For the three months ended March 31		For the financial year ended December 31			Pro-forma information for the three months ended March 31(4)	Pro-forma information for the financial year ended December 31(4)
	2011	2010	2010	2009	2008	2011	2010
	(unaudited)		(in CHF thousands) (audited)			(unaudited)(5)	
Revenue	45,819	35,766	165,215	119,488	81,669	54,682	212,298
Cost of sales	(33,965)	(28,682)	(129,848)	(103,022)	(64,925)	(42,330)	(174,496)
Gross profit	11,854	7,084	35,367	16,466	16,744	12,352	37,802
Distribution costs	(2,899)	(2,448)	(10,680)	(8,373)	(5,253)	(3,170)	(13,529)
Administrative expenses	(4,433)	(2,440)	(10,658)	(7,060)	(4,878)	(4,915)	(13,821)
Other operating income	538	409	2,402	2,483	637	772	3,825
Operating result (EBIT)	5,060	2,605	16,431	3,516	7,250	5,039	14,277
Financial income	542	220	1,782	409	717	849	2,169
Financial expense	(760)	(668)	(3,605)	(2,050)	(2,763)	(971)	(5,208)
Financial result, net	(218)	(448)	(1,823)	(1,641)	(2,046)	(122)	(3,039)
Profit/(loss) before income tax	4,842	2,157	14,608	1,875	5,204	4,917	11,238
Income tax (expense)/income	(1,304)	(24)	(2,083)	(1,083)	(1,201)	(1,263)	(2,206)
Profit/(loss) for the period	3,538	2,133	12,525	792	4,003	3,654	9,032
Profit/(loss) attributable to:							
Owners of the parent	3,602	2,368	12,648	829	4,003	3,718	9,310
Non-controlling interests	(64)	(235)	(123)	(37)	0	(64)	(278)
EBITDA(1)	7,208	4,582	24,477	10,505	11,834	—	—
EBITDA margin (in %)	15.7	12.8	14.8	8.8	14.5	—	—
Gross profit margin (in %)(2)	25.9	19.8	21.4	13.8	20.5	22.6	17.8
Cost of sales ratio (in %)(3)	74.1	80.2	78.6	86.2	79.5	77.4	82.2

- (1) The Exceet Group refers to “EBITDA” as operating result before interest and income taxes (“EBIT”) plus amortization and depreciation. EBITDA, as the Exceet Group defines it, is not necessarily comparable to similarly-titled measures reported by other companies. EBITDA is not a recognized measure in accordance with IFRS and neither should be viewed as a substitute for earnings before taxes, operating expenses, loss, net cash flow from current business activity or other income statement or cash flow items computed in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available to meet its cash requirements, and its historical operating results cannot be derived from EBITDA. EBITDA is not a reliable indicator of future results.

- (2) The Exceet Group defines “gross profit margin” as gross profit divided by total revenue.
- (3) The Exceet Group defines “cost of sales ratio” as cost of sales divided by total revenue.
- (4) Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011 to reflect the changes to the Exceet Group occurring due to the acquisition of Winter AG as of December 29, 2010 as well as the acquisition of Contec GmbH as of May 4, 2011. The pro-forma financial information presents the acquisitions of the aforementioned two companies as if they had taken place at the beginning of the financial year 2010. This pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the actual financial situation of the Exceet Group or its actual results. This information does not purport to represent what the Exceet Group’s actual results would have been had the acquisition of Winter AG and Contec GmbH taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group. See “*Pro-Forma Financial Information of the Exceet Group*”.
- (5) The label “unaudited” is used in this table for the pro-forma financial information to indicate that such information was not taken from the audited consolidated financial statements of Exceet Group AG but has been audited instead in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in the auditor’s report of Pricewaterhouse Coopers included in the “*Financial Statements*” section of this proxy statement.

Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010

Revenue

The total revenue of the Exceet Group in the three months ended March 31, 2011 was CHF 45,819 thousand, compared to CHF 35,766 thousand in the three months ended March 31, 2010, which is an increase by CHF 10,053 thousand, or 28.1%. This increase in revenue is the result of (i) new product developments for its customers, while the customers still were hesitant to invest in existing and new embedded electronic and card-based products in the first three months of 2010, and (ii) the revenue growth of Exceet Group stemming from acquisitions due to the fact that the first three months of 2011 were the first period during which the group companies Winter AG and, to a much lesser extent, The Art of Packaging s.r.o. contributed their revenue, while the revenue figures for the first three months of 2010 did not yet contain such revenue.

To be able to show its organic revenue growth from the three months ended March 31, 2010 to the three months ended March 31, 2011 on a like-for-like basis and to adjust for revenue growth resulting purely from acquisitions, the Exceet Group and the Company also calculated the consolidated revenues of the Exceet Group in these two periods as if Winter AG and The Art of Packaging s.r.o. had already been part of the group of consolidated companies in the three months ended March 31, 2010 (and disregarding the acquisitions of AuthentiDate International AG and Contec GmbH, as both acquisitions only closed in April and May 2011, respectively), based on unaudited sales figures of Exceet Group companies before inter-company consolidation and adjusting for the impact of foreign exchange effects based on average foreign exchange rates and considering the geographic sales mix in the relevant periods. On such basis, the resulting organic revenue growth of the Exceet Group from the three months ended March 31, 2010 to the three months ended March 31, 2011 was approximately 30.7%.

Revenue from the Exceet Group’s ECMS business increased by CHF 6,615 thousand, or 26.9%, from CHF 24,559 thousand for the three months ended March 31, 2010 to CHF 31,174 thousand, or 68.0% of total revenues, for the three months ended March 31, 2011. The increase was primarily a result of a revitalized strong demand of the Exceet Group’s customers in the first three months of 2011 for its products and embedded solutions after the effects of the global economic crisis had still be noticeable in the first three months of 2010 and which had resulted in lower demand for its customers’ own products and had forced its customers to apply strict cost and investment control. Acquisitions did not contribute to such revenue growth in the first three months of 2011.

Revenue from the Exceet Group’s IDMS business increased by CHF 3,437 thousand, or 30.7%, from CHF 11,212 thousand for the three months ended March 31, 2010 to CHF 14,649 thousand, or 32.0% of total revenues, for the three months ended March 31, 2011. The increase was primarily due to the fact that the first three months of 2011 were the first period during which the group companies Winter AG and, to a much lesser

extent, The Art of Packaging s.r.o. contributed their revenue to the IDMS segment, while the IDMS revenue figures for the first three months of 2010 did not yet contain such revenue. In addition, the above revenue increase also is the result of an organic revenue growth owing to the generally improved economic conditions in the three months ended March 31, 2011 compared to the prior year period.

Cost of Sales

Cost of sales increased by CHF 5,283 thousand, or 18.4%, from CHF 28,682 thousand for the three months ended March 31, 2010 to CHF 33,965 thousand for the three months ended March 31, 2011. This increase to a large extent mirrored the increase in sales and was also brought about by the fact that the first three months of 2011 were the first period during which the cost of sales of the Exceet Group companies Winter AG and, to a lesser extent, The Art of Packaging s.r.o. were fully accounted for.

As a percentage of total revenue (cost of sales ratio), its cost of sales decreased from 80.2% in the three months ended March 31, 2010 to 74.1% in the three months ended March 31, 2011. The decrease was mainly a result of the positive effects that its various production optimization measures had in the three months ended March 31, 2011, which the Exceet Group had implemented during the global economic crisis in 2009 and the three months ended March 31, 2010 in order to prepare for the time when the economic environment was expected to start improving again later in 2010 and 2011. In addition, the full maintenance of the Exceet Group's production capacities during the economic crisis, which had depressed its margins and increased its cost of sales in the first three months of 2010, allowed the Exceet Group in the first three months of 2011 to take fast advantage of the customers' growing product demand and to enter into small series production of selected prototypes, thereby creating economies of scale.

Gross Profit

Gross profit increased by CHF 4,770 thousand, or 67.3%, from CHF 7,084 thousand in the three months ended March 31, 2010 to CHF 11,854 thousand in the three months ended March 31, 2011. The main reason for this development is that the Exceet Group continued to focus on the sale of products and solutions with higher value added offering better margins.

As a percentage of total revenue (gross profit margin), the Exceet Group's gross profit increased from 19.8% in the three months ended March 31, 2010 to 25.9% in the three months ended March 31, 2011. This relative increase is a direct consequence of the decrease of the Exceet Group's cost of sales ratio and the reasons that led to this decrease as discussed above.

Distribution Costs

Distribution costs increased by CHF 451 thousand, or 18.4%, from CHF 2,448 thousand in the three months ended March 31, 2010 to CHF 2,899 thousand in the three months ended March 31, 2011. The reason for this increase was mainly that the first three months of 2011 was the first period during which the distribution costs of Winter AG and, to a much lesser extent, The Art of Packaging s.r.o. were fully accounted for.

As a percentage of total revenue, the Exceet Group's distribution costs decreased, from 6.8% in the three months ended March 31, 2010 to 6.3% in the three months ended March 31, 2011. The distribution costs ratio of the Exceet Group in the first three months of 2010 was higher, since in that period its fixed-cost coverage was lower than in the first three months of 2011 as a result of its lower sales.

Administrative Expenses

The administrative expenses of the Exceet Group increased by CHF 1,993 thousand, or 81.7%, from CHF 2,440 thousand in the three months ended March 31, 2010 to CHF 4,433 thousand in the three months ended March 31, 2011. This increase is mainly a result of one-off expenses of CHF 1,042 thousand incurred in the first three months of 2011 in connection with the preparation of the Transaction and the preparatory steps taken by the Exceet Group that ultimately led to it (including the costs in connection with abandoned initial public offering of Exceet Group AG).

As a percentage of total revenue, its administrative expenses also increased, from 6.8% in the three months ended March 31, 2010 to 9.7% in the three months ended March 31, 2011. This increase also is a result of the above one-off expenses.

Other Operating Income

Other operating income remained at comparable levels, with CHF 409 thousand for the three months ended March 31, 2010 and CHF 538 thousand for the three months ended March 31, 2011. As a percentage of total revenue, the other operating income of the Exceet Group also remained stable with 1.1% in the three months ended March 31, 2010 and 1.2% in the three months ended March 31, 2011.

Operating Result (EBIT)

The operating result (EBIT) of the Exceet Group increased by CHF 2,455 thousand, or 94.2%, from CHF 2,605 thousand in the three months ended March 31, 2010 to CHF 5,060 thousand in the three months ended March 31, 2011. This almost doubling of the Exceet Group's operating result represents primarily the fact that the three months ended March 31, 2011 showed higher sales volumes and margin improvement as a result of the above-mentioned other factors. The EBIT of the Exceet Group contains depreciation and amortization of CHF 2,148 thousand for the first three months of 2011, of which CHF 1,448 thousand related to tangible assets and the remainder mainly resulting from purchase price allocations for customer base, technology and brands of acquired companies. There was no impairment of goodwill.

As a percentage of total revenue (EBIT margin), the Exceet Group's EBIT increased from 7.3% in the three months ended March 31, 2010 to 11.0% in the three months ended March 31, 2011. This relative increase again is a direct consequence of the above factors.

Financial Income

Financial income increased by CHF 322 thousand, or 146.4%, from CHF 220 thousand in the three months ended March 31, 2010 to CHF 542 thousand in the three months ended March 31, 2011. This increase is primarily due to an increase in foreign currency gains.

Financial Expenses

Financial expenses increased by CHF 92 thousand, or 13.8%, from CHF 668 thousand in the three months ended March 31, 2010 to CHF 760 thousand in the three months ended March 31, 2011. The increase was primarily due to higher interest expenses resulting from a higher outstanding debt principal under the credit facilities taken out by Exceet Group AG and the Exceet Group companies and due to an increase in foreign currency losses.

Financial Result, Net

As a result of the increased financial expenses of the Exceet Group, its financial result, net, decreased by CHF 230 thousand, or 51.3%, from CHF 448 thousand in the three months ended March 31, 2010 to CHF 218 thousand in the three months ended March 31, 2011.

Profit/(Loss) Before Income Tax

The profit before income tax of the Exceet Group increased significantly by CHF 2,685 thousand, or 124.5%, from CHF 2,157 thousand in the three months ended March 31, 2010 to CHF 4,842 thousand in the three months ended March 31, 2011. This profit improvement was primarily due to the significant improvement of the operating result (EBIT) of the Exceet Group.

Income Tax (Expense)/Income

The income tax expense of the Exceet Group increased by CHF 1,280 thousand, from CHF 24 thousand in the three months ended March 31, 2010 to CHF 1,304 thousand in the three months ended March 31, 2011. This increase was due primarily to an increase in its profit before tax, which, unlike in the first three months of 2010, the Exceet Group was not able to offset using loss carry forwards at the level of individual Exceet Group companies.

Profit/(Loss) for the Period

The profit for the period of the Exceet Group improved by CHF 1,405 thousand or 65.9% from CHF 2,133 thousand in the three months ended March 31, 2010 to CHF 3,538 thousand in the three months ended March 31, 2011.

The primary drivers for the increase in net profit were the Exceet Group's growth in revenues and in operating result, partly offset by the increase in tax expense and the increase in administrative expenses in connection with the preparation of the Transaction.

EBITDA and EBITDA Margin

The EBITDA of the Exceet Group improved significantly by CHF 2,626 thousand, or 57.3%, from CHF 4,582 thousand in the three months ended March 31, 2010 to CHF 7,208 thousand in the three months ended March 31, 2011. This result was mainly achieved through higher sales volumes and margin improvement as a result of the above-mentioned other factors.

The EBITDA margin of the Exceet Group improved significantly from 12.8% in the three months ended March 31, 2010 to 15.7% in the three months ended March 31, 2011. The lower EBITDA margin in the first three months of 2010 was largely the result of the effects of the global economic crisis, which suppressed the group's margins. These effects did not play a large role anymore in the first three months of 2011, when the global economy had overall improved and the customers of the Exceet Group had increased their investments in existing and new products again, which is one of the reasons why the EBITDA margin improved in the three months ended March 31, 2011. Without the preparatory costs incurred in the first three months of 2011 in connection with the Transaction and the preparatory steps taken by the Exceet Group that ultimately led to it, the EBITDA margin of the Exceet Group would have been even higher.

To be able to show its EBITDA margins in the three months ended March 31, 2010 and the three months ended March 31, 2011 on a like-for-like basis, and their development, adjusting for EBITDA margin effects resulting purely from acquisitions, the Exceet Group and the Company also calculated the EBITDA margins of the Exceet Group in these two periods as if Winter AG and The Art of Packaging s.r.o. had already been part of the group of consolidated companies in the three months ended March 31, 2010 (and disregarding the acquisitions of AuthentiDate International AG and Contec GmbH, as both acquisitions only closed in April and May 2011, respectively), based on unaudited EBITDA and sales figures of Exceet Group companies before inter-company consolidation. On such basis, the EBITDA margin of the Exceet Group for the three months ended March 31, 2010 was 10.3% and the EBITDA margin for the three months ended March 31, 2011 was approximately 15.7%.

Financial Year Ended December 31, 2010 Compared to the Financial Year Ended December 31, 2009

Revenue

The total revenue of the Exceet Group in the financial year ended December 31, 2010 was CHF 165,215 thousand, compared to CHF 119,488 thousand in the financial year ended December 31, 2009, which is an increase by CHF 45,727 thousand, or 38.3%. This increase in revenue is the result of two effects: (i) the revitalized organic revenue growth of the Exceet Group due to the facts that its customers increased their investments in existing and new embedded electronic and card-based products again in 2010 as a result of the strengthening global economy, and (ii) the strong revenue growth of the Exceet Group stemming from acquisitions due to the fact that 2010 was the first full year during which its newly established IDMS business, the CardFactory group (now exceet Card Group), contributed its revenue, while the revenue figures for the financial year 2009 only contain six months of IDMS revenue.

To be able to show its organic revenue growth from the financial year ended December 31, 2009 to the financial year ended December 31, 2010 on a like-for-like basis and to adjust for revenue growth resulting purely from acquisitions, the Exceet Group and the Company also calculated the consolidated revenues of the Exceet Group in these two periods as if the CardFactory group (now exceet Card Group) had already been part of the group of consolidated companies in the full financial year ended December 31, 2009, based on unaudited sales figures of Exceet Group companies before inter-company consolidation and adjusting for the impact of foreign exchange effects based on average foreign exchange rates and considering the geographic sales mix in the relevant periods. On such basis, the resulting organic revenue growth of the Exceet Group from the financial year ended December 31, 2009 to the financial year ended December 31, 2010 was approximately 19.8%

Revenue from the Exceet Group's ECMS business increased by CHF 22,029 thousand, or 25.1%, from CHF 87,834 thousand for the financial year ended December 31, 2009 to CHF 109,863 thousand, or 66.5% of total revenues, for the financial year ended December 31, 2010. The increase was primarily a result of a revitalized strong demand of the Exceet Group's customers in the financial year 2010 for its products and embedded solutions after the global economic crisis in 2009, which had resulted in lower demand for its

customers' own products and had forced its customers to apply strict cost and investment control. This organic growth to a large part occurred in the ECMS segment, partly also due to the fact that in the financial year 2009, the companies in the Exceet Group's ECMS segment had worked on the production of a larger number of prototypes for different customers, offering only limited revenues, while in the financial year 2010 these existing prototypes went into serial production, which led to an increase in revenue with these customers.

Revenue from the Exceet Group's IDMS business increased by CHF 23,703 thousand, or 74.9%, from CHF 31,654 thousand for the financial year ended December 31, 2009 to CHF 55,357 thousand, or 33.5% of total revenues, for the financial year ended December 31, 2010. The increase was primarily due to the fact that 2010 was the first full financial year during which the revenues of the former CardFactory group (now exceet Card Group) were fully accounted for in the IDMS segment. However, since in the financial year 2009, the CardFactory group (now exceet Card Group) contributed its revenues from the generally stronger second half of the year (as to this fluctuation of revenues of the Exceet Group's IDMS business, see "*—Key Factors Affecting the Results of Operations of the Exceet Group—Seasonality*" and "*Risk Factors—Risks Relating to the Business of the Exceet Group—The revenues and profits of the Exceet Group are subject to fluctuations*"), while such revenues in the financial year 2010 also encompassed the - generally weaker - revenues from the first two calendar quarters, the above revenue increase also is the result of an organic revenue growth owing to the generally improved economic conditions in the financial year 2010.

Cost of Sales

Cost of sales increased by CHF 26,826 thousand, or 26.0%, from CHF 103,022 thousand for the financial year ended December 31, 2009 to CHF 129,848 thousand for the financial year ended December 31, 2010. This increase to a large extent mirrored the increase in sales and was also brought about by the fact that the financial year 2010 was the first full financial year during which the cost of sales of the former CardFactory group (now exceet Card Group) was fully accounted for.

However, as a percentage of total revenue (cost of sales ratio), the cost of sales of the Exceet Group decreased significantly from 86.2% in the financial year ended December 31, 2009 to 78.6% in the financial year ended December 31, 2010. The raw materials and consumables expenses of the Exceet Group as a percentage of total revenue in the financial year ended December 31, 2010 (50.0%) were lower than in the financial year ended December 31, 2009 (52.4%), as were the group's personnel costs as a percentage of total revenue (27.7% in the financial year ended December 31, 2010 compared to 30.2% in the financial year ended December 31, 2009). The decrease was mainly a result of the positive effects that the various restructuring and production optimization measures of the Exceet Group (such as increased outsourcing) had in the financial year 2010, which it had implemented during the global economic crisis in 2009 in order to prepare for the time when the economic environment was expected to start improving again in 2010. In addition, the full maintenance of the Exceet Group's production capacities during the economic crisis, which had depressed its margins and increased the cost of sales of the Exceet Group in the financial year 2009, allowed the Exceet Group in the financial year 2010 to take fast advantage of the customers' growing product demand and to enter into small series production of selected prototypes, thereby creating economies of scale.

Gross Profit

Gross profit increased significantly by CHF 18,901 thousand, or 114.8%, from CHF 16,466 thousand in the financial year ended December 31, 2009 to CHF 35,367 thousand in the financial year ended December 31, 2010. The reason for this development is a better fixed-cost coverage as a result of the Exceet Group's increased sales as well as the process optimization measures which the Exceet Group undertook in the financial year 2009 coming to bear. Furthermore, it continued to focus on customers and products with higher value added offering better margins.

As a percentage of total revenue (gross profit margin), the gross profit of the Exceet Group increased significantly from 13.8% in the financial year ended December 31, 2009 to 21.4% in the financial year ended December 31, 2010. This relative increase is a direct consequence of the decrease of its cost of sales ratio and the reasons that led to this decrease as discussed above.

Distribution Costs

Distribution costs increased by CHF 2,307 thousand, or 27.6%, from CHF 8,373 thousand in the financial year ended December 31, 2009 to CHF 10,680 thousand in the financial year ended December 31, 2010. The reason for this increase was that the financial year 2010 was the first full financial year during which the distribution costs of the former CardFactory group (now exceet Card Group) were fully accounted for.

As a percentage of total revenue, the distribution costs of the Exceet Group decreased, from 7.0% in the financial year ended December 31, 2009 to 6.5% in the financial year ended December 31, 2010. The Exceet Group's distribution costs ratio in the financial year 2009 was higher, since in that year its fixed-cost coverage was lower than in the financial year 2010 as a result of its lower sales.

Administrative Expenses

The administrative expenses of the Exceet Group increased by CHF 3,598 thousand, or 51.0%, from CHF 7,060 thousand in the financial year ended December 31, 2009 to CHF 10,658 thousand in the financial year ended December 31, 2010. This increase is a result of the fact that the financial year 2010 was the first full financial year during which the administrative expenses of the former CardFactory group (now exceet Card Group) were fully accounted for. As a percentage of total revenue, the administrative expenses of the Exceet Group also increased, from 5.9% in the financial year ended December 31, 2009 to 6.5% in the financial year ended December 31, 2010.

Other Operating Income

Other operating income decreased by CHF 81 thousand, or 3.3%, from CHF 2,483 thousand for the financial year ended December 31, 2009 to CHF 2,402 thousand for the financial year ended December 31, 2010. This minor decrease was primarily a result of the reduction in income from government benefits for development projects in the financial year ended December 31, 2010, where the Exceet Group only received subsidies in an amount of CHF 626 thousand, compared to received government benefits of CHF 1,009 thousand in the financial year ended December 31, 2009. The reason for this reduction is that several of its subsidiaries, which were eligible for and had received government benefits in 2009 for development projects with customers when they did not yet form part of the Exceet Group and enjoyed the status of "small and medium-size enterprises (KMU)", no longer were eligible to receive such benefits in 2010 when they had become part of the Exceet Group. This resulted in fewer support of several of the Exceet Group companies through public funding of development projects with customers in the financial year 2010.

As a percentage of total revenue, the other operating income of the Exceet Group decreased from 2.1% in the financial year ended December 31, 2009 to 1.5% in the financial year ended December 31, 2010. This relative decrease also is a result of the above-mentioned factors.

Operating Result (EBIT)

The operating result (EBIT) of the Exceet Group increased significantly by CHF 12,915 thousand, or 367.3%, from CHF 3,516 thousand in the financial year ended December 31, 2009 to CHF 16,431 thousand in the financial year ended December 31, 2010. This more than quadruplicating of the Exceet Group's operating result represents primarily the fact that the financial year 2010 was the first full financial year during which the former CardFactory group (now exceet Card Group) was fully accounted for, its higher sales volume and its improved fixed-cost coverage. The EBIT of the Exceet Group contains depreciation and amortization of CHF 8,046 thousand for the financial year 2010, of which CHF 2,590 thousand related to intangible assets resulting from purchase price allocations for customer base, technology and brands of acquired companies. There was no impairment of goodwill.

As a percentage of total revenue (EBIT margin), the EBIT of the Exceet Group increased significantly from 2.9% in the financial year ended December 31, 2009 to 9.9% in the financial year ended December 31, 2010. This relative increase is a direct consequence of the again strengthening global economy in the financial year 2010, which resulted in its customers increasing their investments in its existing and new products again. The decrease of the Exceet Group's cost ratios and the reasons that led to this decrease as discussed above also led to this increase.

Financial Income

Financial income increased by CHF 1,373 thousand, or 335.7%, from CHF 409 thousand in the financial year ended December 31, 2009 to CHF 1,782 thousand in the financial year ended December 31, 2010. This increase is primarily due to an increase in foreign currency gains.

Financial Expenses

Financial expenses rose by CHF 1,555 thousand, or 75.9%, from CHF 2,050 thousand in the financial year ended December 31, 2009 to CHF 3,605 thousand in the financial year ended December 31, 2010. The increase was primarily due to foreign currency exchange losses.

Financial Result, Net

As a result of the increased financial expenses of the Exceet Group, its financial result, net, decreased slightly by CHF 182 thousand, or 11.1%, from CHF 1,641 thousand in the financial year ended December 31, 2009 to CHF 1,823 thousand in the financial year ended December 31, 2010.

Profit/(Loss) Before Income Tax

The profit before income tax increased significantly by CHF 12,733 thousand, or 679.1%, from CHF 1,875 thousand in the financial year ended December 31, 2009 to CHF 14,608 thousand in the financial year ended December 31, 2010. This large profit improvement was primarily due to the significant improvement of the operating result (EBIT) of the Exceet Group.

Income Tax (Expense)/Income

The income tax expense of the Exceet Group increased by CHF 1,000 thousand or 92.3% from CHF 1,083 thousand in the financial year ended December 31, 2009 to CHF 2,083 thousand in the financial year ended December 31, 2010. This increase was due primarily to an increase in its profit before tax, slightly offset by the use of loss carry forwards at the level of individual Exceet Group companies.

Net Profit/(Loss) for the Period

The net profit for the period improved significantly by CHF 11,733 thousand from CHF 792 thousand in the financial year ended December 31, 2009 to CHF 12,525 thousand in the financial year ended December 31, 2010. The primary drivers for the increase in net profit were the Exceet Group's growth in revenues and in operating result, partly offset by the increase in tax expense.

EBITDA and EBITDA Margin

The EBITDA of the Exceet Group improved significantly by CHF 13,972 thousand, or 133.0%, from CHF 10,505 thousand in the financial year ended December 31, 2009 to CHF 24,477 thousand in the financial year ended December 31, 2010. This result was mainly achieved through the cost-cutting and margin optimization measures implemented in the financial year 2009, which came to a fuller effect in the financial year 2010, when the global economic conditions improved again and the Exceet Group could better use economies of scale and could start with serial productions of products for which it had done only prototyping work in 2009.

The EBITDA margin of the Exceet Group improved significantly from 8.8% in the financial year ended December 31, 2009 to 14.8% in the financial year ended December 31, 2010. The low EBITDA margin in the financial year 2009 was largely the result of the effects of the global economic crisis, which suppressed the Exceet Group's margins, and of the acquisitions, which did not result in a margin improvement, either. These effects did not play a large role anymore in the financial year ended December 31, 2010, when the global economy had overall improved and the Exceet Group's customers had increased their investments in existing and new products again, which is one of the reasons why the EBITDA margin improved in the financial year 2010. In addition, the margin improvement also is the result of the above-mentioned other factors.

To be able to show its EBITDA margins in the financial year ended December 31, 2009 and the financial year ended December 31, 2010 on a like-for-like basis, and their development, adjusting for EBITDA margin effects resulting purely from acquisitions, the Exceet Group and the Company also calculated the EBITDA margins of the Exceet Group in these two periods as if the CardFactory group (now exceet Card Group) had already been part of the group of consolidated companies in the full financial year ended December 31, 2009, based on unaudited EBITDA and sales figures of Exceet Group companies before inter-company consolidation. On such basis, the EBITDA margin for the financial year ended December 31, 2009 of the Exceet Group was 7.3% and the EBITDA margin for the financial year ended December 31, 2010 was 14.1%.

Financial Year Ended December 31, 2009 Compared to the Financial Year Ended December 31, 2008

Revenue

The total revenue in the financial year ended December 31, 2009 was CHF 119,488 thousand, compared to CHF 81,669 thousand in the financial year ended December 31, 2008, an increase by CHF 37,819 thousand, or 46.3%. This significant increase in revenue reflects the fact that the financial year 2009 was the first full financial

year during which the Exceet Group's subsidiaries Mikrap AG and AEMtec GmbH, which had been acquired effective as of March and October 2008, respectively, contributed their revenue, while the revenue figures for the financial year ended December 31, 2008 only contain three months of AEMtec GmbH revenue and ten months of Mikrap AG revenue. In addition, the revenue increase in the financial year ended December 31, 2009 was also caused by the acquisition of the CardFactory group (now exceet Card Group), the current IDMS segment of the Exceet Group, which contributed six months of revenue.

To be able to show its organic revenue growth from the financial year ended December 31, 2008 to the financial year ended December 31, 2009 on a like-for-like basis and to adjust for revenue development resulting purely from acquisitions, the Exceet Group and the Company also calculated the consolidated revenues of the Exceet Group in these two periods as if Modunorm GmbH and AEMtec GmbH had already been part of the group of consolidated companies in the full financial year ended December 31, 2008, based on unaudited sales figures of Exceet Group companies before inter-company consolidation and adjusting for the impact of foreign exchange effects based on average foreign exchange rates and considering the geographic sales mix in the relevant periods. On such basis, the resulting organic revenue decline of the Exceet Group from the financial year ended December 31, 2008 to the financial year ended December 31, 2009 was approximately (13.8)%.

Revenue from the ECMS business of the Exceet Group increased moderately by CHF 6,165 thousand, or 7.5%, from CHF 81,669 thousand for the financial year ended December 31, 2008 to CHF 87,834 thousand for the financial year ended December 31, 2009. This increase was primarily due to the fact that the financial year 2009 was the first full financial year during which the revenues of AEMtec GmbH and Mikrap AG were fully accounted for in the ECMS segment.

Revenue from the IDMS business of the Exceet Group was CHF 31,654 thousand in the financial year ended December 31, 2009, which was the first financial year during which the IDMS segment existed.

Cost of Sales

Cost of sales increased by CHF 38,097 thousand or 58.7%, from CHF 64,925 thousand for the financial year ended December 31, 2008 to CHF 103,022 thousand for the financial year ended December 31, 2009. This increase mirrored the increase in sales and was also due to the fact that the financial year 2009 was the first full financial year during which the cost of sales of AEMtec GmbH and Mikrap AG were fully accounted for in the ECMS segment, together with six months of cost of sales of the CardFactory group (now exceet Card Group).

However, as a percentage of total revenue (cost of sales ratio), the cost of sales of the Exceet Group increased from 79.5% in the financial year ended December 31, 2008 to 86.2% in the financial year ended December 31, 2009. The raw materials and consumables expenses of the Exceet Group as a percentage of total revenue in the financial year 2009 (52.4%) were higher than in the financial year 2008 (50.1%) as a result of the larger employment of material in the IDMS segment. Its personnel costs as a percentage of total revenue were slightly above the level of the financial year 2008 (30.2% in the financial year 2009 compared to 29.1% in the financial year 2008), which was mainly a result of severance payments in connection with personnel reduction measures. The reason the cost of sales ratio of the Exceet Group in the financial year 2009 was high was that the downturn of the economy and the markets happened much faster than its implemented structural and margin improvement measures (such as personnel reduction) could take effect and therefore its fixed-cost coverage declined. This applies in particular to the newly acquired AEMtec GmbH in the financial year 2009. The Exceet Group did not have similar effects in the financial year ended December 31, 2008.

Gross Profit

Gross profit decreased slightly by CHF 278 thousand, or 1.7%, from CHF 16,744 thousand in the financial year ended December 31, 2008 to CHF 16,466 thousand in the financial year ended December 31, 2009. The main reason for this decrease is that the financial year 2009 was the first full financial year during which the gross profits of AEMtec GmbH and Mikrap AG were fully accounted for in the ECMS segment, together with six months of gross profit contribution of the CardFactory group (now exceet Card Group). Some of these newly acquired companies were not yet able to contribute a margin level achieved by the existing companies of the Exceet Group and the optimization measures had not yet taken full effect as in 2010. In addition, the margin level of the new IDMS segment general is lower than in the ECMS segment, which further diluted its gross margin.

As a percentage of total revenue (gross profit margin), its gross profit decreased, from 20.5% in the financial year ended December 31, 2008 to 13.8% in the financial year ended December 31, 2009. This decrease is mainly

attributable to the effects of the global economic crisis, which suppressed the margins of the Exceet Group, and is also a direct consequence of the increase of its cost of sales ratio and the reasons that led to this increase as discussed above.

Distribution Costs

Distribution costs increased by CHF 3,120 thousand or 59.4% from CHF 5,253 thousand in the financial year ended December 31, 2008 to CHF 8,373 thousand in the financial year ended December 31, 2009. The increase is primarily a result of the additional distribution costs of the Exceet Group's newly acquired companies.

As a percentage of total revenue, its distribution costs increased as well, from 6.4% in the financial year ended December 31, 2008 to 7.0% in the financial year ended December 31, 2009. The reasons for this increase are the afore-mentioned ones.

Administrative Expenses

The administrative expenses of the Exceet Group increased by CHF 2,182 thousand or 44.7% from CHF 4,878 thousand in the financial year ended December 31, 2008 to CHF 7,060 thousand in the financial year ended December 31, 2009. This increase primarily reflects the increased headcount in the Exceet Group's administrative staff to assist it with managing the integration of its acquired businesses as well as a general increase of central functions as a result of the acquisitions.

However, as a percentage of total revenue, the administrative expenses of the Exceet Group decreased slightly, from 6.0% in the financial year ended December 31, 2008 to 5.9% in the financial year ended December 31, 2009. The reasons for this slight decrease were savings achieved through the use of synergies within the Exceet Group as a result of the acquisitions, *e.g.*, in the areas of corporate controlling, purchasing, strategy and marketing.

Other Operating Income

Other operating income increased by CHF 1,846 thousand, or 289.8%, from CHF 637 thousand for the financial year ended December 31, 2008 to CHF 2,483 thousand. This increase was primarily a result of the significant increase in income from government benefits for development projects of the Exceet Group's newly acquired companies in the financial year 2009, where it received subsidies in an amount of CHF 1,009 thousand, compared to received government benefits of CHF 153 thousand in the financial year 2008.

As a percentage of total revenue, the Exceet Group's other operating income increased from 0.8% in the financial year ended December 31, 2008 to 2.1% in the financial year ended December 31, 2009. This increase is mainly a result of the increase in government benefits relating to development projects of AEMtec GmbH, which came to bear in the financial year 2009 for the entire year, compared to the financial year 2008, and of license fees that the CardFactory group (now exceet Card Group) received from customers.

Operating Result (EBIT)

The operating result (EBIT) of the Exceet Group decreased by CHF 3,734 thousand, or 51.5%, from CHF 7,250 thousand in the financial year ended December 31, 2008 to CHF 3,516 thousand in the financial year ended December 31, 2009. This decrease of the operating result of the Exceet Group represents primarily the increase in distribution costs and administrative expenses and also is a result of the afore-mentioned structural and margin improvement measures implemented in the financial year 2009. Its EBIT contains depreciation and amortization of CHF 6,989 thousand for the financial year 2009, of which CHF 2,465 thousand related to intangible assets resulting from purchase price allocations for customer base, technology and brands of acquired companies. There was no impairment of goodwill.

As a percentage of total revenue (EBIT margin), the Exceet Group's EBIT decreased significantly from 8.9% in the financial year ended December 31, 2008 to 2.9% in the financial year ended December 31, 2009. This decrease again is the result of the effects of the global economic crisis and also is a direct consequence of the increase of its cost ratios and the reasons that led to this increase as discussed above.

Financial Income

Financial income decreased by CHF 308 thousand, or 43.0%, from CHF 717 thousand in the financial year ended December 31, 2008 to CHF 409 thousand in the financial year ended December 31, 2009. This decrease is primarily due to a decrease in foreign currency gains

Financial Expenses

Financial expenses fell by CHF 713 thousand, or 25.8%, from CHF 2,763 thousand in the financial year ended December 31, 2008 to CHF 2,050 thousand in the financial year ended December 31, 2009. The decrease was primarily due to lower interest expenses resulting from lower outstanding debt principal amounts under the credit facilities of the Exceet Group due to repayments.

Financial Result, Net

As a result of the decreased financial expenses of the Exceet Group, its financial result, net, decreased by CHF 405 thousand, or 19.8%, from CHF 2,046 thousand in the financial year ended December 31, 2008 to CHF 1,641 thousand in the financial year ended December 31, 2009.

Profit/(Loss) Before Income Tax

The profit before income tax of the Exceet Group decreased significantly by CHF 3,329 thousand, or 64.0%, from CHF 5,204 thousand in the financial year ended December 31, 2008 to CHF 1,875 thousand in the financial year ended December 31, 2009. This decrease was primarily due to the significant decrease of the Exceet Group's operating result (EBIT).

Income Tax (Expense)/Income

The income tax expense of the Exceet Group decreased by CHF 118 thousand or 9.8% from CHF 1,201 thousand in the financial year ended December 31, 2008 to CHF 1,083 thousand in the financial year ended December 31, 2009. This decrease resulted from a decrease in its profit before tax; however, the decrease in income tax expense was less significant than the decrease in profit before income tax in the same period. The reason for this is that income tax is paid on a per-company-basis and not on a consolidated group basis, and while the consolidated Exceet Group profit declined, some of its contributing Exceet Group companies showed different profitability in the financial year 2009, incurring higher income taxes.

Net Profit/(Loss) for the Period

The net profit for the period of the Exceet Group deteriorated significantly by CHF 3,211 thousand, or 80.2%, from CHF 4,003 thousand in the financial year ended December 31, 2008 to CHF 792 thousand in the financial year ended December 31, 2009. The primary drivers for the steep decrease in net profit were the decrease in operating result of the Exceet Group, slightly offset by the decrease in tax expense.

EBITDA and EBITDA Margin

The EBITDA decreased by CHF 1,329 thousand, or 11.2%, from CHF 11,834 thousand in the financial year ended December 31, 2008 to CHF 10,505 thousand in the financial year ended December 31, 2009. This result owes to a large degree to the effect of the first full-year consolidation of the 2008 acquisitions of AEMtec GmbH and Mikrap AG and the six month consolidation of the CardFactory group (now Exceet Card Group) in the financial year ended December 31, 2009, and furthermore was a result of increased cost of sales, as explained above.

The EBITDA margin of the Exceet Group deteriorated sharply, from 14.5% in the financial year ended December 31, 2008 to 8.8% in the financial year ended December 31, 2009. The low EBITDA margin in the financial year 2009 was largely the result of the effects of the global economic crisis and of the occurrence of structural and margin improvement measures (such as personnel reduction), which only took effect with a delay in the financial year 2010. These effects did not yet play a strong role in the financial year 2008, which is one of the main reasons why the EBITDA margin was significantly better in the financial year 2008.

To be able to show its EBITDA margins in the financial year ended December 31, 2008 and the financial year ended December 31, 2009 on a like-for-like basis, and their development, adjusting for EBITDA margin effects resulting purely from acquisitions, the Exceet Group and the Company also calculated the EBITDA margins of the Exceet Group in these two periods as if Modunorm GmbH and AEMtec GmbH had already been part of the group of consolidated companies in the full financial year ended December 31, 2008, based on unaudited EBITDA and sales figures of Exceet Group companies before inter-company consolidation. On such basis, the EBITDA margin for the financial year ended December 31, 2008 of the Exceet Group was 11.5% and the EBITDA margin for the financial year ended December 31, 2009 was 9.7%.

Recent Developments and Outlook

With share purchase agreement of March 8, 2011, as amended on May 4, 2011, Exceet Group AG acquired the Austrian company Contec GmbH through an Austrian intermediate holding company, and with share purchase agreement of March 10, 2011, Exceet Group AG acquired the German company AuthentiDate International AG (see “*Business of the Exceet Group—Material Contracts—Acquisition and Contribution Agreements*”). Closing of the acquisition of AuthentiDate International AG occurred on April 1, 2011, and closing of the acquisition of Contec GmbH occurred on May 4, 2011. Exceet Group AG will consolidate Contec GmbH and AuthentiDate International AG in its next consolidated financial statements for the six months ended June 30, 2011 and show Contec GmbH as part of its ECMS segment and AuthentiDate International AG as part of its new ESS segment (see “*Segment Reporting—Embedded Security Solutions Segment*”). However, to reflect the changes to the Exceet Group occurring due to the closing of the acquisition of Contec GmbH as per May 4, 2011, the Exceet Group has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, which presents the acquisition of Contec GmbH (together with the acquisition of Winter AG at the end of the financial year 2010) as if it had taken place at the beginning of the financial year 2010. See “*Presentation of Financial Information*”, “*Pro-Forma Financial Information of the Exceet Group*” and “*Financial Statements*”.

Company	Closing date of Acquisition	Acquired shareholding (in %)	Share in revenue and profit in 2010	
			Revenue (in CHF thousands)	Profit/Loss (in CHF thousands)
			(unaudited)	
Contec GmbH(1)	May 4, 2011	100.0	33,519(3)	(131)(3)
AuthentiDate International AG(2)	April 1, 2011	100.0	3,609(4)	(316)
Sum of first consolidation acquisitions			37,128	447

- (1) Contec GmbH has a financial year ending on January 31 of each calendar year; figures shown are for the financial year 2010 (January 1 – December 31).
- (2) AuthentiDate International AG has a financial year ending on June 30 of each calendar year.
- (3) Figures taken from the unaudited combined pro-forma income statement relating to Contec GmbH for the financial year 2010, as included in the “*Financial Statements*” section on page F-92
- (4) Figures taken from the unaudited unconsolidated financial statements of AuthentiDate International AG for the financial year 2009/2010 and the unaudited consolidated financial information of AuthentiDate International AG for the months July to December 2010, prepared in accordance with the provisions of the German Commercial Code.

The goodwill resulting from the above acquisitions is attributable mainly to the skills and technical talent of the acquired business’ workforce and the synergies expected to be achieved. The Exceet Group added another 28 employees (full time equivalent) of AuthentiDate International AG and of AuthentiDate Deutschland GmbH and 98 employees (full time equivalent) of Contec GmbH to the total Exceet Group headcount.

Apart from that, there have been no significant changes in the total assets, financial condition or results of operations of the Exceet Group from March 31, 2011 to the date of this proxy statement. The business in all of three business segments of the Exceet Group continued to grow.

Based on the high capacity utilization rates and current development projects of the Exceet Group for key customers, the Exceet Group expects the positive developments in all three business segments to continue throughout the full 2011 financial year. It believes that in 2011, the crisis in the financial markets will no longer affect its business to a major extent and that the revitalized business activities of its customers will lead to an increase of its revenues and its EBITDA margin. In particular, the Exceet Group expects that a typically larger amount of smart card orders in its IDMS segment during the second half of a calendar year will support its revenue growth.

The Exceet Group currently expects that additional opportunities for the improvement of its results of operations may arise from its recently established ESS segment, where the Exceet Group leverages on the skills and capacities of its two other business segments in order to enlarge its product portfolio, reach new customers and make its products and services more attractive for its current customer base.

Exceet Group AG furthermore plans to change its registered office to the Canton of Zug, Switzerland, in the near term.

Liquidity and Capital Resources

Each of the Exceet Group's operating group companies maintains cash and cash equivalents to fund the day-to-day requirements of its business. Historically, the Exceet Group has relied primarily on cash flow from operations and upon the proceeds of bank borrowings, capital increase and shareholder loans to provide funds required for its acquisitions and operations.

The principal source of liquidity of the Exceet Group on an ongoing basis will be its operating cash flows and, to a lesser degree, drawings under the credit facilities of the Exceet Group companies. The Exceet Group also has taken out finance leases with respect to tangible assets such as laser direct imaging (LDI) or printing machines. The ability of the Exceet Group to generate cash from its operations will depend on its future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, and other factors, many of which are beyond its control. As of March 31, 2011, Ventizz did not guarantee any of the Exceet Group's debt obligations, which amounted to a total of CHF 31,373 thousand. Historically, the Exceet Group was also financed by two loans from its sole shareholder Ventizz, amounting to a total of €6,050 thousand (excluding accrued interest) at March 31, 2011, and a vendor loan from the member of its management board Robert Wolny (holding 50% of such loan in trust for Ulrich Reutner), amounting to €4,350 thousand (excluding accrued interest) at March 31, 2011 (see "*Business of the Exceet Group—Material Contracts—Acquisition and Contribution Agreements—Acquisition of VisionCard Kunststoffkartenproduktions GmbH by exceet Card Group AG*"). These shareholder loans will, in an amount between €4.7 million and €11.1 million, depending on the percentage of Public Shareholders requesting redemption of their Public Shares, be repaid by the Company on behalf of Exceet Group AG and exceet Card Group AG, respectively, thereby reducing the cash amount to be contributed to Exceet Group AG as part of the Transaction (see "*Questions and Answers about the Proposals for Public Shareholders and Warrantholders—Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?*").

Investors can find additional information about the financial liabilities of the Exceet Group in "Note 18" to the consolidated financial statements of Exceet Group AG for the financial year ended December 31, 2010, 2009 and 2008.

Under the credit facilities of the Exceet Group, most of which have been entered into at the group company level, the Exceet Group has access to funds to service its working capital, acquisitions and general corporate needs. The availability of two credit facilities entered into with Zürcher Kantonalbank is dependent upon certain conditions and financial covenants to be fulfilled. The bank borrowings are secured by land, buildings and assets of the Exceet Group, by assignment of shares of selected Exceet Group companies and selected assignment of trade accounts receivable. See also "*Business of the Exceet Group—Material Contracts—Credit Facility Agreements with Zürcher Kantonalbank*".

Cash Flow

The table below summarizes the cash flow of the Exceet Group for the three months ended March 31, 2011 and 2010 and for the financial years ended December 31, 2010, 2009 and 2008. The cash flow data presented below for the three months ended March 31, 2011 and 2010 and for the financial years ended December 31, 2010, 2009 and 2008 are of the Exceet Group on a consolidated basis.

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands)				
	(unaudited)		(audited)		
Cash flows from operating activities	1,584	974	18,398	10,330	11,500
Cash flows from investing activities	(2,622)	(435)	(1,631)	235	(28,045)
Cash flows from financing activities	(1,031)	(4,086)	(7,751)	(8,189)	25,140
Net changes in cash and cash equivalents	(2,069)	(3,547)	9,016	2,376	8,595
Cash and cash equivalents at the beginning of the period	23,578	16,204	16,204	13,968	5,523
Cash and cash equivalents at the end of the period	21,875	12,420	23,578	16,204	13,968

Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010

Cash Flow from Operating Activities

Cash flow from operating activities increased by CHF 610 thousand from a cash inflow of CHF 974 thousand in the three months ended March 31, 2010, to a cash inflow of CHF 1,584 thousand in the three months ended March 31, 2011. This increase was primarily driven by the revenue growth and therefore improved EBITDA performance at both the ECMS and IDMS segment.

Cash Flow from/(used in) Investing Activities

Cash flow from investing activities increased by CHF 2,187 thousand from CHF 435 thousand in the three months ended March 31, 2010 to CHF 2,622 thousand in the three months ended March 31, 2011. The primary movements in the cash of the Exceet Group used for investing activities in the first three months of 2011 compared to the first three months of 2010 were capital expenditures, since Exceet Group AG paid CHF 1,388 thousand in an escrow account for the acquisition of AuthentiDate International AG and CHF 476 thousand as an installment payment on the purchase price for the acquisition of The Art of Packaging s.r.o. and CHF 733 thousand for the acquisition of production facilities and machinery in the three months ended March 31, 2011. In the three months ended March 31, 2010, the Exceet Group cash used for investing activities mainly consisted of capital expenditures for production facilities and machinery.

For additional information on its capital expenditure, see “—*Capital Expenditure and Investments*”.

Cash Flow from/(used in) Financing Activities

Cash flow used in financing activities was CHF 1,031 thousand in the three months ended March 31, 2011, which is a decrease by CHF 3,055 thousand compared to CHF 4,086 thousand used in the three months ended March 31, 2010, since there were no repayments of borrowings under the Exceet Group’s credit facilities in the first three months of the financial 2011.

Financial Year Ended December 31, 2010 Compared to the Financial Year Ended December 31, 2009

Cash Flow from Operating Activities

Cash flow from operating activities increased by CHF 8,068 thousand from a cash inflow of CHF 10,330 thousand in the financial year ended December 31, 2009, to a cash inflow of CHF 18,398 thousand in the financial year ended December 31, 2010. This increase was primarily driven by the strong revenue growth and therefore improved EBITDA performance at both the ECMS and IDMS segment.

Cash Flow from/(used in) Investing Activities

Cash flow from investing activities decreased by CHF 1,866 thousand from a cash inflow of CHF 235 thousand in the financial year ended December 31, 2009 to a cash outflow of CHF 1,631 thousand in the financial year ended December 31, 2010. In the financial year 2010, the cash of the Exceet Group used for investing activities was mainly spent on the acquisition of 95.12% of Winter AG, while in the financial year 2009, the Exceet Group had a modest net cash inflow mainly resulting from a large inflow as a result of the acquisition of the CardFactory group (now exceet Card Group). On the other hand, the Exceet Group reduced the spending for fixed assets by CHF 763 thousand, from CHF 3,540 thousand in the financial year 2009, to CHF 2,777 thousand in the financial year 2010.

For additional information on its capital expenditure, see “—*Capital Expenditure and Investments*”.

Cash Flow from/(used in) Financing Activities

Cash flow used in financing activities was CHF 7,751 thousand in the financial year ended December 31, 2010, which is a decrease by CHF 438 thousand compared to CHF 8,189 thousand used in the financial year ended December 31, 2009 for repayments of borrowings under the Exceet Group’s credit facilities and of proceeds under its finance leases (in an amount of CHF 2,557 thousand). This decrease is primarily due to lower loan repayment amounts of CHF 2,516 thousand.

Financial Year Ended December 31, 2009 Compared to the Financial Year Ended December 31, 2008

Cash Flow from Operating Activities

Cash flow from operating activities remained roughly at the same level in the financial years ended December 31, 2008 and 2009, with a CHF 11,500 thousand cash inflow in the financial year ended December 31, 2008 and a slightly smaller cash inflow of CHF 10,330 thousand in the financial year ended December 31, 2009. This was primarily a result of lower profits before income tax.

Cash Flow from/(used in) Investing Activities

Cash inflow from investing activities was CHF 235 thousand in the financial year ended December 31, 2009, compared to a cash outflow of CHF 28,045 thousand in the financial year ended December 31, 2008. By far the main cash outflow in the financial year 2008 was attributable to the acquisition of Mikrap AG, while in the financial year 2009, the cash outflow mainly reflects investments of CHF 3,540 thousand in tangible assets (mainly new machines), of which only CHF 1,506 thousand was spent in the financial year 2008. The shares in AEMtec GmbH (2008) and CardFactory AG (now exceet Card Group AG) (2009) were transferred to Exceet Group AG by Ventizz by way of contribution into the statutory reserves (*gesetzliche Reserven*) of Exceet Group AG, with the contribution of CardFactory AG resulting in a positive cash inflow.

For additional information on its capital expenditure, see “—*Capital Expenditure and Investments*”.

Cash Flow from/(used in) Financing Activities

Cash flow used in financing activities was CHF 8,189 thousand in the financial year ended December 31, 2009, primarily reflected a CHF 7,710 thousand repayment of borrowings under the Exceet Group’s credit facilities and a CHF 479 thousand repayment under its finance leases. In the financial year ended December 31, 2008, the cash inflow from financing activities of the Exceet Group was CHF 25,140 thousand, which mainly reflects the net effects from a capital increase in the amount of CHF 15,937 thousand in the financial year 2008 (*i.e.*, the contribution of the shares in AEMtec GmbH by the sole shareholder Ventizz into the statutory reserves (*gesetzliche Reserven*) of Exceet Group AG without issuance of new shares to Ventizz) as well as proceeds from drawings under the credit facilities of the Exceet Group of CHF 9,111 thousand.

Contractual Obligations and Commitments

As of December 31, 2010, the principal contractual obligations and commitments of the Exceet Group consisted of amounts payable under operating leases and finance leases as well as under its credit facilities. The following table summarizes the principal contractual obligations and commitments of the Exceet Group as of December 31, 2010, sorted by the period in which they are due to mature. The table includes contractual obligations with respect to all of the three business segments of the Exceet Group.

	Payments due by period		
	Less than 1 year	1-5 years	More than 5 years
	(in CHF thousands) (unaudited)		
Operating lease obligations (rental)	2,305	4,328	1,460
Finance lease obligations	2,983	5,150	121
Liabilities to banks	5,401	17,528	592
Financial liabilities to related parties	13,773	—	—
Total	24,462	27,006	2,173

The operating lease transactions concluded by the Exceet Group relate primarily to obligations from leases and leases of buildings, technical equipment and vehicles. The financial lease obligations result from agreements concluded by the Exceet Group companies for the long-term lease of machines and equipment (*e.g.*, laser direct imaging (LDI) or printing machines). The financial liabilities to related parties consist of several shareholder loans granted by Ventizz and the members of Exceet Group AG’s management board Robert Wolny and Ulrich Reutner (see “*Certain Relationships and Related Transactions—Certain Relationships and Related Transactions of the Exceet Group*”); these shareholder loans will, in an amount between €4.7 million and €11.1 million, depending on the percentage of Public Shareholders requesting redemption of their Public Shares be repaid by the Company on behalf of Exceet Group AG and exceet Card Group AG, respectively, thereby reducing the cash amount to be contributed to Exceet Group AG as part of the Transaction (see “*Questions and Answers about the Proposals for Public Shareholders and Warranholders—Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?*”).

Capital Expenditure and Investments

The capital expenditure and investments of the Exceet Group in the three months ended March 31, 2011 and 2010 and in the financial years ended December 31, 2010, 2009 and 2008 relate primarily to the acquisitions of subsidiaries and the integration of their businesses and the acquisition of fixed assets. Capital expenditure also includes increases in intangible assets and do not include financial assets. The table below sets forth the capital expenditure of the Exceet Group for the three months ended March 31, 2011 and 2010 and for the financial years ended December 31, 2010, 2009 and 2008.

	For the three months ended March 31		For the financial year ended December 31		
	2011	2010	2010	2009	2008
	(in CHF thousands) (unaudited)				
Investments	2,453	1,824	8,603	7,606	28,804

Capital expenditure for intangible and intangible sets as well as for acquisitions was undertaken in Austria, the Czech Republic, Germany, the Netherlands and Switzerland.

In the three months ended March 31, 2011, total capital expenditures amounted to CHF 2,453 thousand, compared to CHF 1,824 thousand in the three months ended March 31, 2010. It was to a large part used for the acquisition of AuthentiDate International AG and payment of the purchase price for The Art of Packaging s.r.o. as well as for investments in production facilities and machinery.

In the financial year ended December 31, 2010, total capital expenditures amounted to CHF 8,603 thousand, including for the share acquisitions of Winter AG and The Art of Packaging s.r.o., compared to CHF 7,606 thousand in the financial year ended December 31, 2009. Other than purchase price payments and transaction costs incurred for the acquisition of the above companies, the capital expenditures of the Exceet Group included investments in new production machinery and maintenance of machinery in all of its facilities.

In the financial year ended December 31, 2009, total capital expenditures amounted to CHF 7,606 thousand, including transaction costs for the share acquisition of the CardFactory group (now exceet Card Group) of CHF 480 thousand, compared to CHF 28,804 thousand in the financial year ended December 31, 2008. Capital expenditures included investments in maintenance and new production machinery mainly in Switzerland.

In the financial year ended December 31, 2008, the capital expenditures of the Exceet Group amounted to CHF 28,804 thousand and mainly related to purchase price payments and transaction costs incurred for the share acquisition of Mikrap AG, with the remainder being spent on the acquisition of new machines and software.

As of April 30, 2011, the capital expenditures of the Exceet Group during the current financial year primarily related to purchase price payments and transaction costs incurred for the acquisition of AuthentiDate International AG. The current and planned future capital expenditures of the Exceet Group in the current financial year primarily include the acquisition of Contec GmbH in Austria, which occurred on May 4, 2011. The Exceet Group plans to finance its current and planned future investments from its cash flow from operating activities, existing liquidity and credit lines as well as from the cash to be contributed to Exceet Group AG as part of the Transaction.

Off-Balance Sheet Arrangements

The Exceet Group is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditure or capital resources, except with respect to its currency and interest rate hedging.

Contingent Liabilities

Since the financial year 2008, the Exceet Group has not had any material contingent liabilities not reflected in the financial statements of the Exceet Group.

Qualitative and Quantitative Disclosure of Market Risk

Currency Risk

The reporting currency of the Exceet Group is the Swiss franc (CHF), and it generates revenue mostly in Swiss francs, euro and U.S. dollars. All of its subsidiaries conduct their transactions, including purchase of materials and services, in their functional currencies. However, due to the fact that the Exceet Group operates in countries with different currencies, changes in exchange rates may have positive or negative effects on the results of the Exceet Group. Currency risks arise particularly when an Exceet Group company's monetary items or contracts for future transactions are denominated in a currency other than the local currency of that company. Generally, the Exceet Group is exposed to foreign exchange risks especially with regard to the euro and U.S. dollars. In the financial year ended December 31, 2010, the euro-denominated invoiced revenue of the Exceet Group represented approximately 58% of total invoiced revenue, and the U.S. dollar-denominated invoiced revenue of the Exceet Group represented approximately 4% of total invoiced revenue.

Most of the equipment and raw materials of the Exceet Group are purchased from European manufacturers or distributors in euro. The revenue generated in U.S. dollars is generally used for the procurement of equipment, services or raw material and has usually balanced out in the past, thus providing a natural hedge. With increasing sales in North America, the dollar exchange rate risk has moderately increased in the last years. To address this risk, the Exceet Group either tries to price its products in Swiss francs and euro, to include exchange rate adjustments in frame contracts or to include an adequate foreign exchange margin in the pricing.

Generally, foreign currencies are only kept if future payments are expected to be made in a particular currency. Foreign currency exposure is optimized by balancing the currency needs among the Exceet Group companies. The Exceet Group does not enter into any hedging transactions.

Depreciation or appreciation of the euro (as reflected in average rates for the financial year ended December 31, 2010) against the Swiss franc by 10%, with all other variables held constant, would have increased or decreased the profit of Exceet Group AG for the period by CHF 11 thousand. Depreciation or appreciation of the U.S. dollar (as reflected in average rates for the financial year 2010) against the Swiss franc by 10%, with all other variables held constant, would have increased or decreased the profit for the period of Exceet Group by CHF 10 thousand.

See also “*Risk Factors—Risks Relating to the Business of the Exceet Group—The Exceet Group is exposed to exchange rate risks*”.

Interest Rate Risk

The exposure to market risk for changes in interest rates relates primarily to its long-term borrowings. Borrowings issued at variable rates expose the Exceet Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Exceet Group to fair value interest rate risk. For most of the long-term borrowings of the Exceet Group it has variable rates. For those of its long-term borrowings entered into with Zürcher Kantonalbank, the interest margin which will be added up on the LIBOR-based interest rate is depending on certain defined covenants contained in the credit agreements (see “*Business of the Exceet Group—Material Contracts—Credit Facility Agreements with Zürcher Kantonalbank*”). To avoid in these cases that the total interest rates increase over a certain limit, the Exceet Group has entered into an interest cap on the LIBOR-based part of the total interest rate. The interest margin can be influenced by the Exceet Group because under the covenants contained in the credit facility agreements with Zürcher Kantonalbank it is depending on the business performance of the Exceet Group. The term for which the Exceet Group has fixed the interest rates depends on the current interest conditions in the market.

If the interest rates of the different long-term borrowings would have increased by one percentage point, with all other variables held constant, the Exceet Group had more interest expenses in the financial year ended December 31, 2010 of CHF 181 thousand.

Credit Risk

The credit risk of the Exceet Group arises primarily from cash and cash equivalents, deposits with banks and financial institutions, and from credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted. The Exceet Group has no significant concentration of credit risk on cash and cash equivalents since its exposure is spread over a number of different financial institutions. For the risk control assessment of customers, the credit quality of the customer takes into account its financial position, past experience and other

factors. Based on the varying customer structure within the Exceet Group, no specific individual credit limits are defined by the Exceet Group. The Exceet Group seeks to mitigate counterparty risk by applying active trade receivables management and regular monitoring. Credit risk is managed on a group basis.

Liquidity Risk

Liquidity risk is the risk that in the future the Exceet Group might not be able to meet its contractual payment obligations. To ensure that the Exceet Group can pay at all times, it maintains both liquidity reserves in the form of cash and cash equivalents and credit lines under its credit facilities that can be utilized as needed. In order to identify liquidity risks, the Exceet Group monitors its liquidity risk on a monthly basis and has a multi-year liquidity plan, which the Exceet Group regularly reviews and adjusts if necessary.

Impact of Inflation

The effects of inflation during the periods covered by the Exceet Group's historic consolidated financial statements have not been significant to its results of operations. However, in the future the Exceet Group may experience increased operating costs (including labor and supply costs) due to inflation, which could materially adversely affect the Exceet Group's results of operations.

Critical Accounting Policies

The preparation of the financial statements of Exceet Group AG requires it to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. It re-evaluates its estimates on an ongoing basis and bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the value of such assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions. In particular, items where Exceet Group AG has applied significant judgment and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within its next financial year, are discussed below. See also "Note 3.4" to the consolidated financial statements of Exceet Group AG for the financial years ended December 31, 2010, 2009 and 2008.

The foregoing assumptions and estimates are based on facts, circumstances and trends at the end of each of the reporting period. As of the date of this proxy statement, Exceet Group AG does not expect any material change in the underlying assumptions and estimates.

Business Combinations

Business combinations are accounted for using the purchase method of accounting. The cost of a business combination is equal to the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by Exceet Group AG, in exchange for control of the acquired company plus any costs directly attributable to the business combination. Any difference between the cost of the business combination and Exceet Group AG's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized as such is treated as goodwill. If the acquired company under common control, the Exceet Group has chosen to apply the predecessor values method. The assets and liabilities of the acquiree are recorded using IFRS book values and the difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity has to be recorded as an adjustment to equity.

Impairment of Intangible Assets

Intangible assets, including goodwill and customer base, represent a significant part of the total assets of the Exceet Group. At December 31, 2010, the carrying amount of goodwill was CHF 37,797 thousand. This represented 23.7% of the Exceet Group's total assets.

Goodwill is assessed annually for impairment, or more frequently, if events or changes in circumstances indicate that its value might be impaired. Goodwill is allocated to the Exceet Group's cash-generating units ("CGUs"), which belong to the business segments. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the Exceet Group's management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of one percent.

Intangible assets other than goodwill are assessed at each reporting date as to whether there is any indication that an impairment occurred. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset or, where it is not possible to estimate the recoverable amount of an individual asset, a cash-generating unit, is the higher of its fair value less selling costs and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized.

Should Exceet Group AG change its assumptions in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, it may materially affect the net present value that Exceet Group AG uses in the impairment test, which in turn could affect its financial condition and results of operations. Also, if there is a significant adverse change in its projected performance, and resulting future cash flow projections, Exceet Group AG may need to take an impairment charge to the income statement. For further information, see “*Note 10*” to the consolidated financial statements of Exceet Group AG for the financial years ended December 31, 2010, 2009 and 2008.

Impairment of Trade Accounts Receivables

Trade accounts receivable are a significant asset of ours and the amount of impairment is a significant estimate made by the Exceet Group management. Trade accounts receivable were CHF 23,278 thousand in the three months ended March 31, 2011. Trade accounts receivable are recorded at original invoice amount respectively initially at fair value less provision made for impairment of these receivables. A provision for impairment of trade accounts receivables is established when there is objective evidence that the Exceet Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

Deterioration in the aging of receivables or collection difficulties could require that the Exceet Group increases its estimates of the impairments of doubtful accounts. Additional expenses for uncollectible receivables could have a significant negative impact on the future operating results of the Exceet Group.

Intangible Assets

Purchased intangible assets are measured initially at cost. Intangible assets are recognized when they are identifiable and controlled by the Exceet Group, when it is probable that future economic benefits to the Exceet Group can be expected from the asset and when cost can be measured reliably. Intangible assets with a finite useful life are amortized over their useful life and shall be tested for possible impairment whenever an indication exists that such intangible asset may be impaired. The amortization period and the amortization method are reviewed at the end of each financial year. Amortization of intangible assets with finite useful lives is recognized in the income statement under the expenses category that corresponds to the intangible asset’s function. Except for goodwill, the Exceet Group has no intangible asset with an indefinite useful life.

Purchased client base is amortized over a useful life of 15 years and purchased technology over a period of five years. Software is amortized over a useful life of three to five years, unless the software is part of a machine. In that case, the useful life could depend on the machine or the technical equipment. For amortization, the Exceet Group applies the straight-line method.

Income Taxes and Deferred Tax Assets

The Exceet Group is subject to income taxes in various jurisdictions. The determination of the worldwide provision for income taxes requires the Exceet Group to exercise judgment. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Exceet Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the Exceet Group make such determination.

The Exceet Group recognizes deferred tax assets relating to certain temporary differences and tax losses when it concludes that it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilized. Differences between its expectations and its original estimates will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

Inventories

The purchased raw materials, components and finished goods of the Exceet Group are valued at the lower of cost or net realizable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity) and excludes borrowing costs. To evaluate cost, the standard cost method is applied, which approximates historical cost determined on an average basis. Standard costs take into account normal levels of materials, supplies, labor, efficiency and capacity utilization. Standard costs are regularly reviewed and, if necessary, revised in the light of current conditions. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Manufactured finished goods and work-in-process are valued at the lower of production cost or net realizable value. Provisions are established for slow-moving, obsolete and phase-out inventory.

Provisions

Provisions are liabilities of uncertain timing and/or amount. A provision is recognized when an enterprise has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If a provision could not be recorded because not all of the aforementioned criteria were fulfilled, the relevant obligation is then disclosed as a contingent liability.

Provisions are reviewed at each balance sheet date and adjusted to the currently available best estimate. If the resulting interest rate effect is material, the provision is discounted to the present value of the estimated cash outflows necessary to settle the obligation. For provisions that are discounted, the increase in the provisions that reflect the time lapsed is recorded as interest expense. Where it is expected that another party will partly or fully settle the obligation that has been provided for, the reimbursement will only be recognized once it is virtually certain that the Exceet Group will receive the reimbursement.

PRO-FORMA FINANCIAL INFORMATION OF THE EXCEET GROUP

Overview

The historical financial statements of Exceet Group AG for the financial year ending December 31, 2010 do not contain any income statement data regarding Winter AG, which was acquired as of December 29, 2010. The consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011 do not contain any income statement and balance sheet data regarding Contec GmbH, which was acquired through an intermediate Austrian holding company by way of a share purchase agreement dated March 8, 2011, and which acquisition closed on May 4, 2011. To reflect the changes to the Exceet Group occurring due to the acquisition of Winter AG as of December 29, 2010 as well as the acquisition of Contec GmbH as of May 4, 2011, Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, which presents the acquisitions of the afore-mentioned two companies as if they had taken place at the beginning of the financial year 2010.

For an explanation of the preparation of the pro-forma financial information, also see “*Selected Consolidated and Pro-Forma Financial Information of Exceet Group AG*” and the “*Financial Statements*” section of this proxy statement.

This pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the current financial situation of the Exceet Group or its current results. This information does not purport to represent what the Exceet Group’s actual results would have been had the acquisition of the afore-mentioned two companies taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group.

The following presentation is based on the consolidated financial statements as of and for the financial year ended December 31, 2010, the consolidated interim financial statements as of and for the three months ended March 31, 2011 as well as the pro-forma financial information of Exceet Group AG for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, prepared in accordance with the German Auditors Institute (IDW) Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004). This pro-forma financial information has been audited by PricewaterhouseCoopers AG, Zurich, Switzerland, in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in their auditor’s report included in the “*Financial Statements*” section of this proxy statement.

Certain Consolidated and Pro-Forma Results of Operations

The following table sets forth selected financial data from Exceet Group AG’s income statement and additional performance measures used by it for the periods indicated. The financial information has been extracted or, with respect to the additional performance measures, derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2011 and 2010 from the audited consolidated financial statements as of and for the financial year ended December 31, 2010 and from the unaudited pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011.

	Actual information for the three months ended March 31	Pro-forma information for the three months ended March 31(3)	Actual information for the financial year ended December 31	Pro-forma information for the financial year ended December 31(3)
	2011		2010	
	(unaudited)(4)	(in CHF thousands) (unaudited)(4)	(audited)(4)	(unaudited)(4)
Revenue	45,819	54,682	165,215	212,298
Cost of sales	(33,965)	(42,330)	(129,848)	(174,496)
Gross profit	11,854	12,352	35,367	37,802
Distribution costs	(2,899)	(3,170)	(10,680)	(13,529)
Administrative expenses	(4,433)	(4,915)	(10,658)	(13,821)
Other operating income	538	772	2,402	3,825
Operating result (EBIT)	5,060	5,039	16,431	14,277
Financial income	542	849	1,782	2,169
Financial expense	(760)	(971)	(3,605)	(5,208)
Financial result, net	(218)	(122)	(1,823)	(3,039)
Profit/(loss) before income tax	4,848	4,917	14,608	11,238
Income tax (expense)/income	(1,304)	(1,263)	(2,083)	(2,206)
Profit/(loss) for the period ..	3,538	3,654	12,525	9,032
Gross profit margin (in %)(1)	25.9	22.6	21.4	17.8
Cost of sales ratio (in %)(2)	74.1	77.4	78.6	82.2

- (1) The Exceet Group defines “gross profit margin” as gross profit divided by total revenue.
- (2) The Exceet Group defines “cost of sales ratio” as cost of sales divided by total revenue.
- (3) Exceet Group AG has prepared pro-forma financial information for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011 to reflect the changes to the Exceet Group occurring due to the acquisition of Winter AG as of December 29, 2010 as well as the acquisition of Contec GmbH as of May 4, 2011. The pro-forma financial information presents the acquisitions of the aforementioned two companies as if they had taken place at the beginning of the financial year 2010. This pro-forma financial information is provided for illustrative purposes only and should only be read in conjunction with the audited consolidated financial statements of Exceet Group AG (IFRS) for the financial years ended December 31, 2010, 2009 and 2008 and the unaudited consolidated interim financial statements of Exceet Group AG for the three months ended March 31, 2011. Due to its nature, the pro-forma financial information describes a hypothetical situation only and therefore does not reflect the actual financial situation of the Exceet Group or its actual results. This information does not purport to represent what the Exceet Group’s actual results would have been had the acquisition of Winter AG and Contec GmbH taken place on January 1, 2010. Moreover, the pro-forma financial information is not an indicator of the future financial development of the Exceet Group.
- (4) Where financial data in this table is labeled “audited”, this means that it was taken from the audited consolidated financial statements for the financial year ended December 31, 2010. The label “unaudited” is used in this table to indicate financial data that was taken or derived from a source other than the audited consolidated financial statements for the financial year ended December 31, 2010; when used in this table for pro-forma financial information, this is to indicate that such information was not taken from the audited consolidated financial statements of Exceet Group AG but has been audited instead in accordance with the German Auditors Institute (IDW) Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) as set forth in the auditor’s report of Pricewaterhouse Coopers included in the “Financial Statements” section of this proxy statement.

Three Months Ended March 31, 2011

Revenue

While on an actual basis, its total revenue in the three months ended March 31, 2011 was CHF 45,819 thousand, on a pro-forma basis it was CHF 54,682 thousand in the same period, which is CHF 8,863 thousand (or 19.3%) higher.

Cost of Sales

On an actual basis, the cost of sales of the Exceet Group was CHF 33,965 thousand for the three months ended March 31, 2011, and on a pro-forma basis, its cost of sales was CHF 42,330 thousand for the same period, which is CHF 8,365 thousand (or 24.6%) higher. As a percentage of total revenue (cost of sales ratio), on an actual basis the cost of sales of the Exceet Group was 74.1% in the three months ended March 31, 2011, and on a pro forma basis 77.4%.

Gross Profit

The gross profit of the Exceet Group on an actual basis was CHF 11,854 thousand in the three months ended March 31, 2011, while on a pro-forma basis, its gross profit in the same period was CHF 12,352 thousand, which is CHF 498 thousand (or 4.2%) higher. As a percentage of total revenue (gross profit margin), the gross profit of the Exceet Group on an actual basis was 25.9% in the three months ended March 31, 2011, compared to 22.6% on a pro-forma basis.

Distribution Costs

On an actual basis, the distribution costs of the Exceet Group were CHF 2,899 thousand in the three months ended March 31, 2011, and on a pro-forma basis its distribution costs in the same period were CHF 3,170 thousand, which is CHF 271 thousand (or 9.3%) higher. As a percentage of total revenue, on an actual basis the distribution costs of the Exceet Group were 6.3% in the three months ended March 31, 2011, compared to 5.8% on a pro-forma basis.

Administrative Expenses

In the three months ended March 31, 2011, on an actual basis the administrative expenses of the Exceet Group were CHF 4,433 thousand, while on a pro-forma basis, its administrative expenses in the same period were CHF 4,915 thousand, which is CHF 482 thousand (or 10.9%) higher. As a percentage of total revenue, on an actual basis the administrative expenses of the Exceet Group were 9.7% in the three months ended March 31, 2011, compared to 9.0% on a pro-forma basis.

Other Operating Income

For the three months ended March 31, 2011, on an actual basis the other operating income of the Exceet Group was CHF 538 thousand, while on a pro-forma basis it was CHF 772 thousand in the same period, which is CHF 234 thousand (or 43.5%) higher. As a percentage of total revenue, on an actual basis the other operating income of the Exceet Group was 1.2% in the three months ended March 31, 2011, compared to 1.4% on a pro-forma basis.

Operating Result (EBIT)

In the three months ended March 31, 2011, on an actual basis the operating result (EBIT) of the Exceet Group was CHF 5,060 thousand, while on a pro-forma basis, its EBIT in the same period was CHF 5,039 thousand, which is CHF 21 thousand (or 0.4%) lower. As a percentage of total revenue (EBIT margin), on an actual basis the EBIT of the Exceet Group was 11.0% in the three months ended March 31, 2011, compared to 9.2% on a pro-forma basis.

Financial Income

In the three months ended March 31, 2011, the financial income of the Exceet Group was CHF 542 thousand, while on a pro-forma basis, it was CHF 849 thousand in the same period, which is CHF 307 thousand (or 56.6%) higher.

Financial Expenses

The financial expenses of the Exceet Group on an actual basis were CHF 760 thousand in the three months ended March 31, 2011, while on a pro-forma basis, they were CHF 971 thousand in the same period, which is CHF 211 thousand (or 27.8%) higher.

Financial Result, Net

On an actual basis, the financial result, net, of the Exceet Group in the three months ended March 31, 2011 was CHF 218 thousand, while on a pro-forma basis, it was CHF 122 thousand in the same period, which is CHF 96 thousand (or 44.0%) lower.

Profit/(Loss) Before Income Tax

In the three months ended March 31, 2011, on an actual basis, the profit before income tax of the Exceet Group was CHF 4,848 thousand, while on a pro-forma basis, it was CHF 4,917 thousand in the same period, which is CHF 69 thousand (or 1.4%) higher.

Income Tax (Expense)/Income

On an actual basis, the income tax expense of the Exceet Group was CHF 1,304 thousand in the three months ended March 31, 2011, and on a pro-forma basis it was CHF 1,263 thousand in the same period, which is CHF 41 thousand (or 3.1%) lower.

Profit/(Loss) for the Period

In the three months ended March 31, 2011, the profit for the period of the Exceet Group was CHF 3,538 thousand, and on a pro-forma basis, it was CHF 3,654 thousand for the same period, which is CHF 116 thousand (or 3.3%) higher.

Financial Year Ended December 31, 2010

Revenue

On an actual basis, the total revenue of the Exceet Group in the financial year ended December 31, 2010 was CHF 165,215 thousand, while on a pro-forma basis, its total revenue in the same period was CHF 212,298 thousand, which is CHF 47,083 thousand (or 28.5%) higher.

Cost of Sales

For the financial year ended December 31, 2010, on an actual basis the cost of sales of the Exceet Group were CHF 129,848 thousand, while on a pro-forma basis it was CHF 174,496 thousand in the same period, which is CHF 44,648 thousand (or 34.4%) higher. As a percentage of total revenue (cost of sales ratio), the cost of sales of the Exceet Group was 78.6% in the financial year ended December 31, 2010, compared to 82.0% on a pro-forma basis.

Gross Profit

On an actual basis, the gross profit of the Exceet Group in the financial year ended December 31, 2010 was CHF 35,367 thousand, while on a pro-forma basis, it was CHF 37,802 thousand for the same period, which is CHF 2,435 thousand (or 6.9%) higher. As a percentage of total revenue (gross profit margin), on an actual basis the gross profit of the Exceet Group was 21.4% in the financial year ended December 31, 2010, compared to gross profit margin of 17.8% on a pro-forma basis.

Distribution Costs

In the financial year ended December 31, 2010, on an actual basis the distribution costs of the Exceet Group were CHF 10,680 thousand, while on a pro-forma basis, they were CHF 13,529 thousand in the same period, which is CHF 2,849 thousand (or 26.7%) higher. As a percentage of total revenue, on an actual basis, the distribution costs of the Exceet Group amounted to 6.5% in the financial year ended December 31, 2010, on a pro-forma basis they accounted for 6.3%.

Administrative Expenses

On an actual basis, the administrative expenses of the Exceet Group were CHF 10,658 thousand in the financial year ended December 31, 2010, while on a pro-forma basis, its administrative expenses in the same period were CHF 13,821 thousand, which is CHF 3,163 thousand (or 29.7%) higher. As a percentage of total revenue, on an actual basis and on a pro-forma basis, the administrative expenses of the Exceet Group in the financial year ended December 31, 2010 were 6.5%.

Other Operating Income

For the financial year ended December 31, 2010, on an actual basis the other operating income of the Exceet Group was CHF 2,402 thousand, while on a pro-forma basis, its operating income in the same period was CHF 3,825 thousand, which is CHF 1,423 thousand (or 59.2%) higher. As a percentage of total revenue, on an actual basis, the other operating income of the Exceet Group was 1.5% in the financial year ended December 31, 2010, compared to 1.8% on a pro-forma basis.

Operating Result (EBIT)

On an actual basis, the operating result (EBIT) of the Exceet Group was CHF 16,431 thousand in the financial year ended December 31, 2010, while on a pro-forma basis, its EBIT in the same period was CHF 14,277 thousand, which is CHF 2,154 thousand (or 13.1%) lower. As a percentage of total revenue (EBIT margin), on an actual basis the EBIT of the Exceet Group was 9.9% in the financial year ended December 31, 2010, compared to an EBIT margin of 6.7% on a pro-forma basis.

Financial Income

On an actual basis, the financial income of the Exceet Group in the financial year ended December 31, 2010 was CHF 1,782 thousand, while on a pro-forma basis, its financial income in the same period was CHF 2,169 thousand, which is at an almost identical level.

Financial Expenses

On an actual basis, the financial expenses of the Exceet Group were CHF 3,605 thousand in the financial year ended December 31, 2010, while on a pro-forma basis, they were CHF 5,208 thousand in the same period, which is CHF 1,603 thousand (or 44.5%) higher.

Financial Result, Net

On an actual basis, the financial result, net, of the Exceet Group in the financial year ended December 31, 2010 was CHF 1,823 thousand, while on a pro-forma basis, it was CHF 3,039 thousand in the same period, which is CHF 1,216 thousand (or 66.7%) higher.

Profit/(Loss) Before Income Tax

The profit before income tax of the Exceet Group was CHF 14,608 thousand in the financial year ended December 31, 2010 on an actual basis, while on a pro-forma basis, its profit before income tax was CHF 11,238 thousand in the same period, which is CHF 3,370 thousand (or 23.1%) lower.

Income Tax (Expense)/Income

On an actual basis, the income tax expense of the Exceet Group in the financial year ended December 31, 2010 was CHF 2,083 thousand, while on a pro-forma basis, it was CHF 2,206 thousand in the same period, which is CHF 123 thousand (or 5.9%) higher.

Net Profit/(Loss) for the Period

On an actual basis, the net profit for the period of the Exceet Group in the financial year ended December 31, 2010 was CHF 12,525 thousand, while on a pro-forma basis, its net profit for the period was CHF 9,032 thousand, which is CHF 3,493 thousand (or 27.9%) lower.

BUSINESS OF THE COMPANY

The Company is a *société européenne* incorporated under the laws of Luxembourg on October 9, 2009. The Company was established for the purpose of acquiring one or more operating businesses through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions. To date, the Company's principal activities have been limited to organizational activities, its IPO in February 2010, and the search for a suitable Business Combination.

The Company was organized by:

- **Wendel**, a prominent family-controlled European listed investment company with over 300 years of history and a 30-year track record of successful industrial investments. Wendel is the reference shareholder in a portfolio of listed and private companies with a total value of approximately €7 billion that includes leading companies such as Saint Gobain, Bureau Veritas and Legrand. Wendel's investment philosophy is to focus on helping global companies that are leaders in their respective markets build long-term value by enhancing their strategic positioning, improving margins and free cash flow generation and pursuing opportunities for external growth and value creation through integration and restructuring efforts. Wendel (through the Wendel Shareholder) owns 88% of the Founding Shares of the Company.
- **Prof. Hermann Simon**, founder and Chairman of the consulting firm Simon-Kucher & Partners and author of a series of well-known studies on "hidden champions"—companies that are not well-known to the public but are industry leaders in the niche markets in which they operate—and the reasons for their success. Prof. Simon (through his family holding company) owns 6% of the Founding Shares of the Company and is the co-Chairman of the Company's Board of Directors.
- **Mr. Roland Lienau**, a Wendel Managing Director and former co-head of German Equity Capital Markets for Deutsche Bank AG, with over 20 years of experience in the German primary and secondary equity capital markets. Mr. Lienau owns 6% of the Founding Shares of the Company and is the Chief Executive Officer of the Company.

The registered office address of the Company is 115, avenue Gaston Diderich, L-1420 Luxembourg.

Offering Proceeds Held In Escrow

On February 4, 2010, the Company consummated its IPO of 200,000,000 units at an offering price of €10.00 per unit, each unit consisting of one Public Share together with one Public Warrant for the subscription of one Public Share. The gross proceeds of the IPO were €210,000,000 (which includes the proceeds of a pre-IPO private placement of 10,000,000 Founding Warrants for €10,000,000 to the Founders), of which €201,125,000 was placed in the Escrow Account immediately following the IPO and, in accordance with the Articles, will be released upon the consummation of a Business Combination. As of June 6, 2011, cash and cash equivalents of €201,125,000 were held on deposit in the Escrow Account after reserves for taxes. The amount in the Escrow Account also includes up to €2.5 million in firm deferred underwriting compensation and up to an additional €2.0 million in discretionary deferred underwriting commission.

If the Transaction is consummated, the remaining funds held in the Escrow Account will be released. On consummation of the Transaction, the Company will pay holders of Public Shares that validly exercised their redemption rights (to the extent not purchased under the Founders' Purchase Option) the redemption price of €10.05625 per Public Share. Because the Company cannot consummate the Transaction if 35% or more of its Public Shares (excluding Public Shares purchased pursuant to the Founders' Purchase Option) are voted against the Business Combination Proposal by holders that validly request redemption of their Public Shares, the maximum aggregate payment out of the Escrow Account funds to redeeming Public Shareholders will be €70.4 million.

The Share Purchase Agreement includes a closing condition requiring a €15 million minimum capital contribution to Exceet Group AG. If more than approximately 25.5% of the outstanding Public Shares are validly tendered for redemption, this closing condition will not be satisfied unless the Wendel Shareholder elects to exercise the Founders' Purchase Option in a sufficient amount (which it is not obligated to do). This corresponds to a minimum exercise of the Founders' Purchase Option for €19.1 million and net redemptions after such exercise of €51.3 million.

The amount remaining in the Escrow Account after payment of redemptions, together with the remaining balance of the initial working capital allowance not deposited into the Escrow Account following the IPO and subsequent interest distributions from the Escrow Account since the IPO, will be used to pay the Company's obligations in connection with the Transaction, which include:

- €110.5 million in cash to be paid to the Sellers under the Share Purchase Agreement;
- a cash contribution of between €15 million and €59.9 million to the statutory reserves of Exceet Group AG, depending on the level of valid redemption requests and the extent of any exercise of the Founders' Purchase Option;
- the repayment on behalf of certain members of the Exceet Group of between €4.7 million and €11.1 million in shareholder loans owed to certain of the Sellers;
- €12.5 million to be paid to the holders of Public Warrants pursuant to the Warrant Amendment Proposal;
- firm deferred underwriting commissions of 1.25% of the adjusted gross proceeds of the IPO, expected to amount to between €1.6 million (if 35% of the Public Shares minus one Public Share are redeemed by the Company or purchased by the Founders pursuant to the Founders' Purchase Option) and €2.5 million (assuming no redemptions or purchases under the Founders' Purchase Option);
- discretionary deferred underwriting commissions to the IPO underwriters in an amount to be determined by the Company of up to 1.00% of the adjusted gross proceeds of the IPO. If the full 1.00% were paid, these commissions would amount to between €1.3 million (if 35% of the Public Shares minus one Public Share are redeemed or purchased) and €2.0 million (assuming no redemptions or purchases);
- estimated direct attributable transaction costs payable by the Company of approximately €7.9 million; and
- accrued tax obligations of approximately €0.1 million on income earned on the Escrow Account.

Any remaining amounts will remain as funds of the Combined Group and will be used for general corporate purposes.

If no Public Shares are redeemed by the Company in connection with the Transaction, on a pro forma basis as described in the unaudited pro forma financial statements of the Combined Group, the consolidated cash on hand of the Combined Group at March 31, 2011 after adjusting for the Transaction is €71.8 million, assuming no redemptions of Public Shares. Assuming valid redemption requests are made in respect of 35% of the outstanding Public Shares minus one Public Share, and a sufficient exercise of the Founders' Purchase Option is made to ensure the required €15 million minimum capital contribution to Exceet Group AG, the pro forma cash and cash equivalents on hand of the new Combined Group at such date would be approximately €27.9 million.

In connection with the consummation of the Transaction, the Escrow Account itself will be terminated since its purpose, to fund a Business Combination, will have been completed.

The holders of Public Shares will be entitled to receive funds from the Escrow Account only in the event of the Company's liquidation or if they properly exercise their redemption rights and the Transaction is actually completed. In no other circumstances will a Shareholder have any right or interest of any kind to or in the Escrow Account.

Fair Market Value of Target Business

Pursuant to the Articles, a Business Combination such as the Transaction can only proceed if the Company's Board of Directors determines that the acquired business or company has, on the date the Board of Directors resolves to submit such transaction to the Company's Shareholders for approval, a fair market value of at least 80% of the balance then in the Escrow Account, after deducting deferred underwriting discounts and commissions.

As of June 7, 2011, the date on which the Board of Directors resolved to submit the Transaction for approval, the balance in the Escrow Account, after deducting deferred underwriting discounts and commissions was €198.6 million, corresponding to an 80% Threshold of €158.9 million. The Company's Board of Directors determined that the fair market value of Exceet Group AG in the Transaction exceeds the 80% Threshold. See *"Proposals to be Considered by Shareholders—The Business Combination Proposal—Satisfaction of 80% Threshold"*.

Shareholders' Approval of Business Combination

If any of the Shareholder Proposals or the Warrant Amendment Proposal are not approved, or if 35% or more of the outstanding Public Shares are voted against the Business Combination Proposal by Public Shareholders that have validly requested redemption (excluding any Public Shares in respect of which the Founders' Purchase Option is exercised), then the Company will not proceed with the Transaction. If the Transaction is not consummated and no other Business Combination is consummated before August 4, 2012, the Company will liquidate and transfer substantially all of its assets to its Shareholders (other than the Founders) and the outstanding Public Warrants will expire worthless.

Liquidation if no Business Combination

In accordance with the Articles, the original deadline for completing a Business Combination was February 4, 2012. Pursuant to the Company's Articles, this deadline was automatically extended to August 4, 2012 upon signing of the Share Purchase Agreement (the "Business Combination Deadline"). If the Company does not consummate its initial Business Combination on or prior to the Business Combination Deadline, the Board of Directors will convene a Shareholders' meeting which shall resolve on the liquidation of the Company in accordance with Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company, Luxembourg law and the Articles and to appoint a liquidator to wind up the Company's affairs.

In this case, the Board of Directors will propose to the general meeting of Shareholders to liquidate the Company and to appoint a liquidator to wind up the Company's affairs. The Company will promptly publish a notice of an extraordinary general meeting of Shareholders in accordance with the requirements of Luxembourg law and the Articles and start soliciting the Shareholders' votes with respect to the dissolution. If the Company does not initially obtain approval for the dissolution from the general meeting of Shareholders, the Company will continue to take all reasonable actions to obtain such approval, which may include adjourning the meeting from time to time to allow the Company to obtain the required vote and retaining a proxy solicitation firm to assist the Company in obtaining such vote.

If a winding up resolution is passed, the Company will be placed in liquidation and the assets, after satisfaction of creditors' claims and other liabilities, will be distributed to holders of Public Shares as set out in the Articles (after distributing to the holders of the Founding Shares €0.0152 per Founding Share). The Company will also cause the liquidation of Helikos KG, which will distribute to the Company the amount in the Escrow Account other than amounts reserved for payment of taxes or other accrued expenses.

The Company anticipates that the liquidator would be able to distribute to the Public Shareholders in respect of their Public Shares the amount in the Escrow Account (including any accrued interest) plus any remaining net assets as part of the Company's plan of dissolution and distribution. The Company will pay the costs of liquidation from its remaining assets held outside of the Escrow Account or, if such funds are insufficient, from the amounts in the Escrow Account.

The Managers of the IPO have agreed to waive their rights to the deferred underwriting commissions held in the Escrow Account in the event the Company does not consummate the Business Combination by the Business Combination Deadline and in such event such amounts will be included within the funds held in the Escrow Account that will be available for distribution to the Public Shareholders in respect of their Public Shares.

Although holders of its Founding Shares have a right to participate in distributions of the funds held in the Escrow Account if the Company fails to consummate the Business Combination by the Business Combination Deadline, they will not be entitled to any distribution rights in excess of €0.0152 per Founding Share. This limit does not apply to any Public Shares that they might hold.

In connection with the liquidation of the Company, all of the Public Warrants and Founding Warrants will expire worthless.

Due to claims of creditors, the actual per-Public Share liquidation price may be less than €10.05625. In any liquidation proceedings of the Company under Luxembourg law or of Helikos KG under German law, the proceeds deposited in the Escrow Account and distributed to the Company by Helikos KG could become subject to the claims of its creditors (which could include vendors and service providers the Company has engaged to assist it in any way in connection with its search for a target business and that are owed money by the Company,

as well as target businesses themselves) which could have certain higher priority than the claims of the Company's Public Shareholders. Although the Company has sought to have vendors, prospective target businesses or other entities it engages execute agreements with it to waive any right, title, interest or claim of any kind in or to any monies held in the Escrow Account for the benefit of its Shareholders, few such agreements have been executed, and even where such agreements have been executed, that may not be sufficient to prevent counterparties from bringing claims against the Escrow Account, including but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with a claim against the Company's assets, including the funds held in the Escrow Account. To the extent any such claims or expenses deplete the Escrow Account, the Company cannot assure you that it will be able to return to the Public Shareholders a liquidation amount equal to €10.05625 per Public Share.

The Wendel Shareholder has agreed to consider funding requests by the Company and to fund (by way of a loan on market terms or other terms the Company and it may agree) any specified amount of such commitments it approves and agrees to fund in advance. Wendel, the other Founders and their respective affiliates will have no obligation to fund any other amounts. As of the date of this proxy statement, the Company has not requested that the Wendel Shareholder fund any such amounts and the Wendel Shareholder has not agreed to do so. Moreover, the Wendel Shareholder will not have any obligation to fund any expenses that are not approved by it, or to indemnify the Company if it becomes subject to claims by taxing authorities, potential acquisition targets or sellers, or other creditors.

Facilities

The Company maintains its registered office and its executive office at 115 avenue Gaston Diderich, L-1420 Luxembourg. The telephone number of the Company is +352 26 29 91 37.

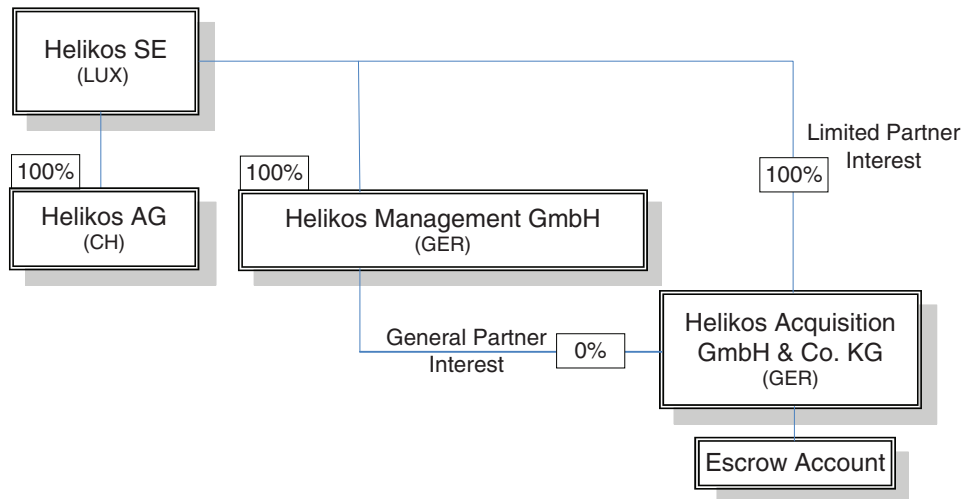
Legal Proceedings

There are not and have not been any governmental, legal or arbitration proceedings, nor is the Company aware of such proceedings threatening or pending, which may have or have had in the 12 months before the date of this proxy statement significant effects on the financial position or profitability of the Company.

GROUP STRUCTURE

Before the Transaction

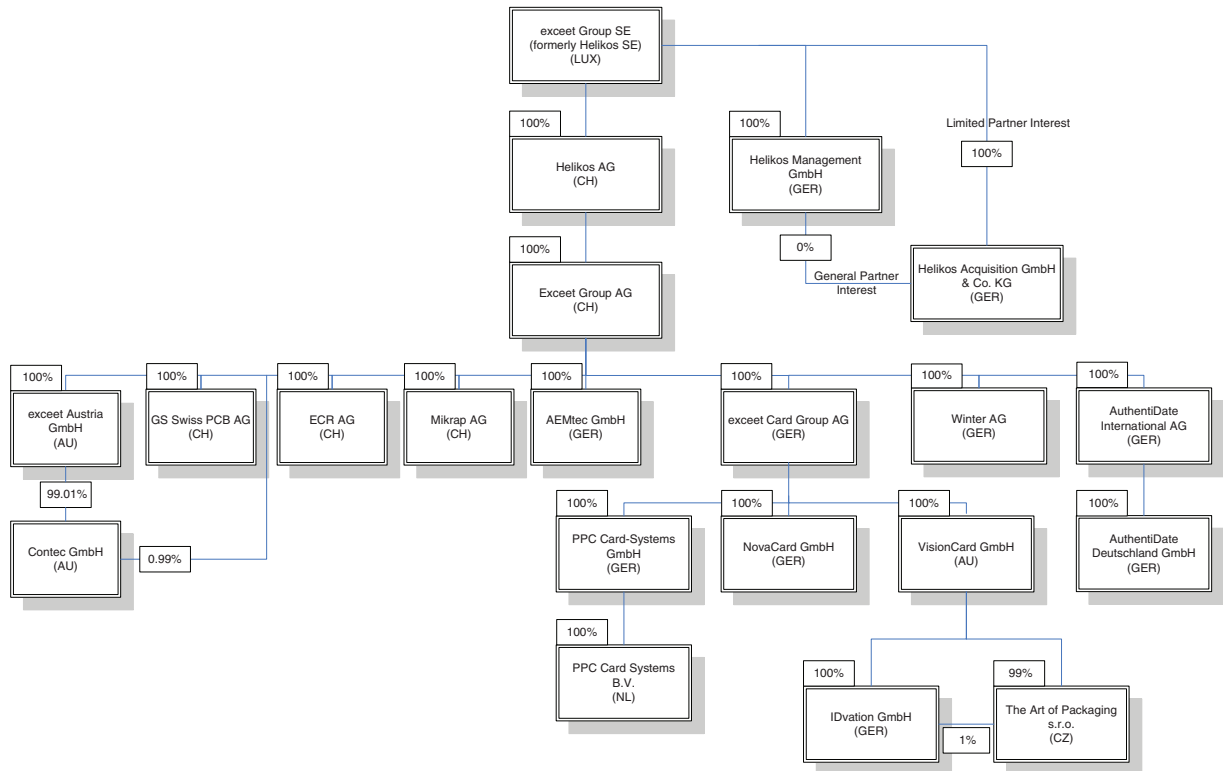
The following diagram summarizes the structure of the Company's group prior to the consummation of the Transaction. As of the date of this proxy statement, the diagram below shows the Company and all of its subsidiaries. For a description of the Shareholders of Helikos SE, see "*Beneficial Ownership of the Company's Securities*".



The Company conducts substantially all of its operations through Helikos Acquisition GmbH & Co. KG ("Helikos KG"), a German limited partnership managed by the Company's subsidiary Helikos Management GmbH ("Helikos GmbH"), its general partner. Helikos GmbH is a wholly-owned subsidiary of the Company. Helikos AG is a newly incorporated wholly owned subsidiary of Helikos SE established for the purposes of the Transaction.

After the Transaction

If the Transaction is consummated, the group structure of the Company will stay the same, except that the Company will change its name to “exceet Group SE”, and Helikos AG will acquire Exceet Group AG, and thereby become the indirect controlling shareholder of the other members of the Combined Group (see diagram below). Exceet Group AG is expected to be renamed “exceet Group AG” prior to the Consummation.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE HELIKOS GROUP

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's consolidated financial statements and related notes appearing elsewhere in this proxy statement. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those which are not within the Company's control.

Overview

The Company was incorporated as a *société européenne* on October 9, 2009 under the laws of Luxembourg. The Company was formed for the purpose of acquiring one or more operating businesses with principal business operations in Germany through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. The Company intends to use cash from the proceeds of its IPO and the related private placement of Founding Warrants, its share capital, debt or a combination of the foregoing to effect an initial Business Combination.

In February 2010, the Company raised €200,000,000 in gross proceeds through an IPO of 20,000,000 units, each consisting of one Public Share and one Public Warrant, in which the units were sold at a purchase price of €10 per unit. Immediately prior to the IPO, the Company raised €10,000,000 in a private placement of 10,000,000 Founding Warrants at a purchase price of €1.00 per Founding Warrant to the Founders.

Promptly following the IPO, €201,125,000 (€10.05625 per unit or 100.6% of the gross proceeds of the IPO) was transferred to the Escrow Account of the Company's wholly-owned subsidiary Helikos KG and a €4,803,400 initial working capital allowance was transferred to Helikos KG's bank account.

Developments in Finding a Suitable Business Combination

Following the IPO, the Company began identifying and evaluating prospective target businesses, see "*The Business Combination Proposal—Background of the Transaction*". In November 2010, the Company commenced discussions with Ventizz on possible transaction structures that would allow for the acquisition of the Exceet Group by the Company.

On June 7, 2011, the Company and Helikos AG entered into a Share Purchase Agreement with Ventizz, the other Sellers and Exceet Group AG. If the Transaction is consummated, Helikos AG will acquire all issued and outstanding shares in Exceet Group AG, the holding company for the Exceet Group. For more information about the Exceet Group, see "*Business of the Exceet Group*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group*" elsewhere in this proxy statement.

Results of Operations

The Company has neither engaged in any operations nor generated any revenues to date. The Company's entire activity since inception has been to prepare for and consummate its IPO and to identify and investigate targets for a potential Business Combination. The Company will not generate any operating revenues until consummation of its initial Business Combination.

Year ended December 31, 2010 and period from October 9, 2009 to December 31, 2009

For the period from October 9, 2009 to December 31, 2009, the Helikos Group generated no income, and consolidated expenses of €296 thousand, for a consolidated net loss of €296 thousand.

In the 2010 fiscal year, the Helikos Group generated consolidated net finance income of €7.9 million, consolidated operating expenses of €1.8 million and consolidated income tax expense of €45 thousand, for a consolidated net profit of €6.1 million.

The Helikos Group's consolidated net finance income in 2010 consisted primarily of a €7.0 million gain on changes in the fair value of the Company's warrants, which are classified as financial liabilities at fair value

through profit or loss. The Helikos Group recorded the gain because the Public Warrants declined in fair value from their initial value of €1.00 per Public Warrant at the time of issue in February 2010 to €0.65 per Public Warrant at the end of 2010. The remainder of the Helikos Group's finance income in 2010 was generated primarily from interest on and realized and unrealized gains on financial assets in which the Escrow Account is invested.

Three months ended March 31, 2011 and March 31, 2010

In the first quarter of 2011 and 2010, the Helikos Group generated net finance income of €435 thousand and €84 thousand, respectively. Operating expenses were €199 thousand in the first quarter of 2011 and €997 thousand in the first quarter of 2010, and no income tax expense was recorded in either period. The net profit for the first quarter of 2011 was €236 thousand, compared to a net loss of €913 thousand in the first quarter of 2010.

Liquidity and Capital Resources

Capital Resources

Promptly following the IPO, a total of €201,125,000 was transferred to the Escrow Account and a €4,803,400 initial working capital allowance was transferred to Helikos KG's bank account. At March 31, 2011, the Helikos Group's cash and cash equivalents amounted to €205.1 million, of which the fair value of the amounts held in the Escrow Account was €202.2 million and the amount remaining in the Company's bank accounts outside the Escrow Account was approximately €2.9 million.

At June 7, 2011, after disbursement of interest amounts for working capital purposes, the balance of cash and cash equivalents in the Escrow Account, after reserves for taxes, was €201,125,000. Based on this balance, the redemption price per Public Share that will be paid upon consummation of the Transaction to dissenting Shareholders that validly request redemption is €10.05625 per Public Share. Under its Articles, the Company is not permitted to proceed with the Transaction if holders of 35% or more of its Public Shares (other than Public Shares as to which the Founders' Purchase Option is exercised) request redemption of their Public Shares. Under the Share Purchase Agreement, a minimum capital contribution of €15 million to Exceet Group AG is required. At the 35% minus one Public Share threshold this condition will be met only if the Founders' Purchase Option is exercised for €19.1 million which would leave a net amount of €51.3 million in redemptions to be funded by the Company. The Wendel Shareholder is not obligated to exercise the Founders' Purchase Option. If it does not do so and the capital contribution is less than €15 million, the Transaction will not close unless both parties jointly waive the condition.

Funding Requirements

In connection with the consummation of the Transaction, the cash payment obligations of the Company include:

- €110.5 million in cash to be paid to the Sellers under the Share Purchase Agreement;
- a cash contribution of between €15 million and €59.9 million to the statutory reserves of Exceet Group AG, depending on the level of valid redemption requests and the extent of any exercise of the Founders' Purchase Option;
- €12.5 million to be paid to the holders of Public Warrants pursuant to the Warrant Amendment Proposal;
- the repayment on behalf of certain members of the Exceet Group of between €4.7 million and €11.1 million in shareholder loans owed to certain of the Sellers;
- firm deferred underwriting commissions of 1.25% of the adjusted gross proceeds of the IPO, expected to amount to between €1.6 million (if 35% of the Public Shares minus one Public Share are redeemed by the Company or purchased by the Founders pursuant to the Founders' Purchase Option) and €2.5 million (assuming no redemptions or purchases under the Founders' Purchase Option);
- discretionary deferred underwriting commissions to the IPO underwriters in an amount to be determined by the Company of up to 1.00% of the adjusted gross proceeds of the IPO. If the full 1.00% were paid, these commissions would amount to between €1.3 million (if 35% of the Public Shares minus one Public Share are redeemed or purchased) and €2.0 million (assuming no redemptions or purchases);
- estimated direct attributable transaction costs payable by the Company of approximately €7.9 million; and
- accrued tax obligations of approximately €0.1 million on income earned on the Escrow Account.

If no Public Shares are redeemed by the Company in connection with the Transaction, on a pro forma basis as described in the unaudited pro forma financial statements of the Combined Group, the consolidated cash on hand of the Combined Group at March 31, 2011 after adjusting for the Transaction is €71.8 million, assuming no redemptions of Public Shares. Assuming valid redemption requests are made in respect of 35% of the outstanding Public Shares minus one Public Share, and a sufficient exercise of the Founders' Purchase Option is made to ensure the required €15 million minimum capital contribution to Exceet Group AG, the pro forma cash and cash equivalents on hand of the new Combined Group at such date would be approximately €27.9 million.

The Company believes that the amounts in the Escrow Account, together with the remaining balance in the Company's initial working capital allowance, will be sufficient to permit it to pay the cash amounts due under the Share Purchase Agreement, deferred underwriting fees due at consummation of the Transaction and advisors fees and other expenses in connection with the preparation and proposal of the Transaction.

Liquidity if the Transaction is not Consummated

The Company expects to use substantially all of the remaining balance of its initial working capital allowance in connection with the negotiation, structuring and preparation of the Transaction. If the Transaction is not completed for any reason (including no approval of the Warrant Amendment Proposal or any of the Shareholder Proposals), the Helikos Group is unlikely to have sufficient remaining funds outside the Escrow Account to permit it to seek, structure and propose another Business Combination. It is possible that the amounts incurred by the Company in service provider fees will exceed the amount of the Company's working capital allowance and interest disbursements from the Escrow Account. In a liquidation, claims by such creditors would have priority over the rights of the Public Shareholders and the per Public Share liquidation amount could be reduced to less than €10.05625 per Public Share. If the Transaction is not completed, the Helikos Group's remaining funds may not be sufficient to allow it to maintain its operations until an alternative Business Combination is found and consummated, there can be no assurance that the Company will complete a Business Combination on or prior to August 4, 2012, and the Company may be unable to continue as a going concern. If the Company is unable to consummate a Business Combination before August 4, 2012, it will be required to liquidate.

MANAGEMENT OF THE COMPANY BEFORE AND AFTER THE TRANSACTION

The following information relating to the Directors and management of the Company summarizes certain provisions of the Company's Articles of Association before and after giving effect to the Transaction and certain requirements of the Luxembourg Company Law in effect on the date hereof. This summary does not purport to be complete and is qualified in its entirety by reference to the full Articles of Association (and proposed amendments to the Articles of Association) and applicable provisions of the Luxembourg Company Law.

Board of Directors

Under the Company's Articles of Association, the Company is managed by a Board of Directors, whose members are not required to be shareholders of the Company. The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfill the Company's corporate purpose, with the exception of actions reserved by Luxembourg law or the company's Articles of Association to the general meeting of shareholders.

Number and Classes of Directors

Before the Transaction. At the date of this proxy statement, the Board of Directors is composed of seven members, three of which are Class A directors (the "Class A Directors"), two of which are Class B directors (the "Class B Directors") and two of which are Class C directors (the "Class C Directors"). The Board of Directors chooses from among its members a Chairman of the Board of Directors and may also choose a Co-Chairman. The Board of Directors may choose a secretary, who need not be a shareholder or member of the Board of Directors.

After the Transaction. Pursuant to the Shareholder Proposals, upon consummation of the Transaction, the Board of Directors will be restructured into a Board of Directors with six members, four of whom will be Class A Directors, one of which will be a Class B Director and one of which will be a Class C Director.

Nomination and Election of Directors

Directors are elected by the general meeting of shareholders, which determines their remuneration and term of office. The term of office of a director may not exceed six years and any Director shall hold office until his successor is elected. Any director may be re-elected for successive terms. If a vacancy in the office of a member of the Board of Directors occurs because of death, legal incapacity, bankruptcy, retirement or otherwise, such vacancy may be filled on a temporary basis by a person selected by the remaining board members until the next general meeting of shareholders, which shall resolve on a permanent replacement. If a legal entity is elected director of the Company, such legal entity shall designate an individual as permanent representative who shall execute this role in the name and for the account of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one director and may not be a Director at the same time. Until the Business Combination is consummated, any action taken by the Board of Directors will require the affirmative vote of all Class C Directors who are present or represented at a meeting. Under the Articles Proposal, the provisions requiring the affirmative vote of all Class C Directors will be removed from the Articles upon consummation of the Transaction.

Before the Transaction. Until the Company's initial Business Combination is consummated, the holders of the Founding Shares have the right to propose any replacement of a Class B or Class C Director proposed to the general meeting of shareholders (at which both the Public Shares and the Founding Shares will be entitled to vote).

After the Transaction. After the Transaction, the holders of the Founding Shares will have the right to propose to the general meeting of Shareholders any replacement of a Class B Director and the holders of the Earnout Shares will have the right to propose to the general meeting of Shareholders any replacement of a Class C Director. Although the Class B and C directors will be selected from a list proposed by the holders of the Founding Shares and Earnout Shares, respectively, all Directors will be elected by a general meeting of Shareholders at which all Shareholders, regardless of class, will be entitled to vote. In case the holders of Founding Shares or the holders of Earnout Shares fail to propose a candidate to be appointed as a Class B Director or a Class C Director, respectively, the Board of Directors shall propose a candidate.

Members of the Board of Directors

Before the Transaction. As of the date of this proxy statement, the Company has the following seven directors. Each of the current Directors will resign his current position as Director effective on the consummation of the Transaction.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Other board memberships past five years</u>
Prof. Hermann Simon(2)	64	Founder and Co-Chairman of the Board of Directors	<i>Positions listed in biography below.</i>
Dirk-Jan van Ommeren(3)	60	Chairman of the Board of Directors	<i>Positions listed in biography below.</i>
Roland Lienau(2)	49	Director	<i>Positions listed in biography below.</i>
Jean-Michel Ropert(3)(4)	44	Director	<i>Positions listed in biography below.</i>
Alain Georges(1)(4)	72	Director	<i>Positions listed in biography below.</i>
Dr. Jürgen Heraeus(1)(4)	74	Director	<i>Positions listed in biography below.</i>
Dr. Christoph Kirsch(1)(4)	69	Director	<i>Positions listed in biography below.</i>

(1) Class A Director

(2) Class B Director

(3) Class C Director

(4) Audit Committee member

After the Transaction. Pursuant to the Share Purchase Agreement and the Directors Proposal, each of the current Directors of the Company will resign from the Board of Directors effective upon the consummation of the Transaction, and the Board of Directors will thereafter consist of six directors, initially including two members nominated for appointment by Ventizz, two members nominated for appointment by Wendel, one member of management of the Exceet Group and one independent director. Each of the Directors will take office upon consummation of the Transaction for an initial term of five years. Upon consummation of the Transaction, after giving effect to those changes, the composition of the Board of Directors will be as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Other board memberships past five years</u>
Ulrich Reutner(1)	46	Director and Chief Executive Officer	(6)
Dirk-Jan van Ommeren(2)(5)	60	Director	(7)
Roland Lienau(1)(4)	49	Director	(7)
Hans Hofstetter(3)(5)	48	Chairman of the Board of Directors	(6)
Thomas Brauchli(1)(4)	44	Director	(6)
Dr. Hagen Hultzschi(1)(4)(5)	70	Director	<ul style="list-style-type: none"> • Actelis Networks Inc., Fremont, USA: member of the advisory board; • Aspect Corporate Advisors GmbH, Bad Honnef, Germany: member of the advisory board (<i>Beirat</i>); • Bestence GmbH, Siegburg, Germany: member of the advisory board (<i>Beirat</i>); • Blue Wonder Communications GmbH, Dresden, Germany: member of the advisory board (<i>Beirat</i>) (until 2011); • Communardo Software GmbH, Dresden, Germany: chairman of the advisory board (<i>Beirat</i>); • DomiNIC GmbH, Bornheim, Germany: member of the advisory board (<i>Beirat</i>); • Enterprise Ireland, Dublin, Ireland: member of the advisory panel; • euro.marcom GmbH, Wiesbaden, Germany: member of the advisory board (<i>Beirat</i>); • Gemini Israel Fund, Tel Aviv, Israel: member of the CIO advisory board (until 2011); • Internet Corporation for Assigned Names and Numbers (ICANN), Marina del Rey, USA: member of the board (until 2006), chairman of the nomination committee (until 2008); • InSynCo AG, Hamburg, Germany: chairman of the supervisory board (until 2009); • KI-AG, Cologne, Germany: member of the supervisory board (until 2008);

Name	Age	Position	Other board memberships past five years
			<ul style="list-style-type: none"> • living-e AG, Karlsruhe, Germany: member of the supervisory board (until 2009); • Norbelle Inc., New York, USA: member of the advisory board; • Oyster Optics Inc., New York, USA: member of the advisory board; • Radware Ltd., Tel Aviv, Israel: member of the board (non-executive director); • RIT Technologies Ltd., Tel Aviv, Israel: member of the board (until 2009); • RSBK GmbH, Frankfurt, Germany: member of the advisory board (<i>Beirat</i>); • SCM Microsystems Inc., Fremont, USA: member of the board (until 2009); • Societät für Unternehmensplanung GmbH, Frankfurt am Main, Germany: member of the advisory board; • Telesoft Ventures, Foster City, USA: member of the senior advisory board; • T-Labs, Deutsche Telekom Laboratories, Berlin, Germany: member of the spin-off advisory council; • TranSwitch EMEA, Brussels, Belgium: member of the board; • TranSwitch Inc., Shelton, USA: member of the board (until 2009); • T-Systems Solutions for Research GmbH, Cologne, Germany: chairman of the advisory board (<i>Beirat</i>); • TVM-Capital GmbH, Munich, Germany: member of the advisory board (<i>Beirat</i>) (until 2007); • University hospital of Bonn, Bonn, Germany: member of the supervisory board; • University hospital of Dresden, Dresden, Germany: member of the supervisory board; • XTraMind Technologies GmbH, Saarbrücken, Germany: member of the supervisory board (until 2007); and • Zimory GmbH, Berlin Germany: chairman of the supervisory board.

- (1) Class A Director
- (2) Class B Director
- (3) Class C Director
- (4) Audit Committee member
- (5) Nomination and Remuneration Committee member
- (6) See “*Business of the Exceet Group—Governing Bodies and Management—Board of Directors and Management Board of Exceet Group AG—Members of the Board of Directors*”.
- (7) Positions listed in biography below.

Biographies of the Company’s Current Directors

Prof. Dr. h.c. Hermann Simon is one of the Company’s Founders and was appointed Class B Director and co-Chairman of the Company’s Board of Directors in January 2010. He is the founder and chairman of Simon-Kucher & Partners, Strategy & Marketing Consultants, a management consulting firm that specializes in giving advice to companies on how to price their products. Before committing himself entirely to management consulting, Prof. Dr. Simon was a Professor of business administration and marketing at the Universities of Mainz (1989-1995) and Bielefeld (1979-1989). He was also a visiting Professor at various international universities, including Harvard Business School, Stanford, London Business School, INSEAD, Keio University in Tokyo and the Massachusetts Institute of Technology. Prof. Simon has published over 30 books in 22 languages, including the worldwide bestseller *Hidden Champions* (1996, cover story of *Business Week* in January 2004) and *Power Pricing* (1997) as well as *Strategy for Competition* (2003), *Think!* (2004), and *Manage for Profit, Not for Market Share* (2006). His book, *Hidden Champions of the 21st Century* (2009) investigates the strategies of little-known world and European market leaders in German-speaking countries. Prof. Simon was and is a member of the editorial boards of numerous business journals including the *International Journal of Research in Marketing*, *Management Science*, *Recherche et Applications en Marketing*, *Decisions Marketing*, *European Management Journal* as well as several German journals. Since 1988 he has regularly written a column for the business monthly *Manager Magazin*. From 1984 to 1986 he was the president of the European Marketing Academy (EMAC). Prof. Simon is not currently a director of any company other than Helikos SE, although he is the Chairman of Simon-Kucher & Partners. In the past, he has acted as director or supervisory board member of Kodak AG, Dürr AG, Hermann Kolb AG, Gerling Konzern Zentrale AG and Deutag AG. A native of Germany, Prof. Simon studied economics and business administration at the universities of Bonn and Cologne. He received his diploma (1973) and his doctorate (1976) from the University of Bonn. Prof. Simon’s business address is Simon-Kucher & Partners, Strategy & Marketing Consultants, Haydnstrasse 36, 53115 Bonn, Germany.

Roland Lienau is one of the Company’s Founders and was appointed Class B Director and Chief Executive Officer of the Company in January 2010. Mr. Lienau joined the Wendel Group as a Managing Director in charge of development in Germany in 2008. He began his career in 1988 at Enskilda Securities (Wallenberg Group) in London and Enskilda Effekten in Frankfurt where he set up and developed the equities department for the German market. Mr. Lienau then worked for Paribas from 1994 to 1999 where he was in charge of capital markets operations and the development of Paribas’s equity business in Germany. In 1999, he moved to Deutsche Bank where, as Managing Director, he managed the equity business until 2004. From 2004 onwards he led the German equity capital markets business of Deutsche Bank. He was also a member of the management committee responsible for all of Deutsche Bank’s operations in Germany. Mr. Lienau founded 24K Trading Partners and is currently a member of the board of Theleme Partners LLP, and was a member of the supervisory board of Xavex Luxembourg and of Loys AG when working at Deutsche Bank. Mr. Lienau graduated with a degree in business administration from ESCP-EAP European School of Management in 1988. Mr. Lienau’s business address is Wendel, 89 rue Taitbout, 75009 Paris, France.

Dirk-Jan van Ommeren was appointed Chairman of the Company’s Board of Directors and Class C Director in January 2010. Mr. van Ommeren has been the Chairman of the Board of Managing Directors of Oranje-Nassau Participaties B.V., one of the Company’s Founders and an affiliate of Wendel, since 1999. Mr. van Ommeren began his career at Amsterdam-Rotterdam Bank N.V. in 1975, working first in the econometrics department, and was appointed Senior Vice President of Corporate Banking Division in 1977, a position in which he served until 1986. From 1986 to 1987 he was Commercial Director of Westland / Utrecht Hypotheekbank N.V., and he was Chairman of the Board of Managing Directors of Amsterdamse Investeringsbank nv from 1987 to 1996. In 1996 he joined Oranje-Nassau Participaties B.V., a 100% subsidiary of Oranje-Nassau Groep B.V., as a Managing Director, and he was appointed Chairman of the Board of Managing Directors in 1999. Mr. van Ommeren is currently a member of the Supervisory Board of VVAA Group B.V., GE Artesia Bank and the Rode Kruis Ziekenhuis Beverwijk. In addition, he is a member of the

Board of Directors of Alpha Management Company (4) Ltd, and AVR Luxembourg S.a.r.l, and a committee member of the Prinses Christina Concours and Stichting Ondersteuning van de Nederlandse Bachvereniging. Previously, Mr Van Ommeren was member of the Supervisory Board of Stallergènes SA (2010) and director of NavTeq (2008). Mr. van Ommeren received his Masters degree in econometrics and operations research from the University of Amsterdam in 1975. Mr. van Ommeren's business address is Oranje-Nassau Groep B.V., Rembrandt Tower, 22nd floor, P.O. Box 95105, 1090 HC Amsterdam, The Netherlands.

Jean-Michel Ropert was appointed a member of the Company's Board of Directors and Class C Director in January 2010. He joined Wendel in 1989, and was appointed the chief financial officer of Wendel in 2002. Mr. Ropert is a member of the Board of Directors and audit committee of Bureau Veritas, a member of the management board and chairman of the audit committee of Materis, a member of the Management Board and chairman of the audit committee of Deutsch, and a member of the supervisory board of Oranje-Nassau Groep B.V. Mr. Ropert graduated with a degree in accounting from the University of Nantes in 1986. Mr. Ropert's business address is: Wendel, 89 rue Taitbout, 75009 Paris, France.

Alain Georges was appointed a member of the Company's Board of Directors and Class A Director in January 2010. He is the Chairman of the Board of Directors of BIP Investment Partners SA, Luxembourg, a publicly listed investment company. A former Chairman of Luxair, Société Luxembourgeoise de Navigation Aérienne and of the CRP Gabriel Lippman public research institute, and a former director of ARBED (a predecessor of ArcelorMittal), he is today a board member of CERATIZIT S.A. Mamer (Luxembourg) of CEIDI Compagnie Européenne Immobilière d'Investissement S.A., AON Belgium S.A. and AON Luxembourg S.A. Mr. Georges is currently chairman of LOGIVER S.A. and PAN-HOLDING S.A. SICAV, and is a former chairman of Luxexpo-Société des Foires Internationales de Luxembourg S.A., and a former director of Cargolux Airlines International S.A. He is a member of the board of the Luxembourg Institute of Directors. Mr. Georges spent most of his professional life at Banque Générale du Luxembourg (now BGL BNP Paribas S.A.), for which he served as Chief Executive Officer and Managing Director from 1987 to 2000. He began his career in 1962 as a corporate lawyer and is a Doctor of Law. Mr. Georges' business address is BIP Investment Partners, Rue des Coquelicots, 1 L-1356 Luxembourg, Luxembourg.

Dr. Jürgen Heraeus was appointed a member of the Company's Board of Directors and Class A Director in January 2010. He is the Chairman of the Supervisory Board and Chairman of the Shareholders Committee of Heraeus Holding GmbH. Dr. Heraeus is also Chairman of the Board of Directors of Argor Heraeus S.A. Furthermore, he is Chairman of the Supervisory Board of GEA Group AG and Messer Group GmbH and member of the Supervisory Board of Hauck & Aufhäuser Privatbankiers KGaA. He is a member of the Executive Board of the Federation of German Industries (BDI), Chairman of the Working Group on China within the Asia Pacific Committee of German Business (APA) and was a member of the Business Financing Advisory Council within Business Fund Germany. In addition, among other positions, Dr. Heraeus has previously served as a member of the Supervisory Boards of EPOS AG, Heidelberger Druckmaschinen AG and of Monier Roofing GmbH, and a member of the Shareholders Committee of Tital GmbH. He also serves as honorary chairman of the German United Nations Children's Fund, UNICEF and is Chairman of the Kathinka Platzhoff Foundation. Dr. Heraeus began his career in the 1960s with the Heraeus Group, and worked for a number of Heraeus subsidiaries before being named to the Board of Management of W.C. Heraeus GmbH in 1970. He subsequently assumed the chairmanship of Heraeus Holding GmbH. In 2000, he was chosen to serve as Chairman of the Supervisory Board of Heraeus Holding GmbH and Chairman of the Shareholders Committee of Heraeus Holding GmbH. Dr. Heraeus studied business administration at the University of Munich, earning his PhD in 1963. Dr. Heraeus' business address is Heraeus Holding GmbH, Heraeusstrasse, 63450 Hanau, Germany.

Dr. Christoph Kirsch was appointed a member of the Company's Board of Directors and Class A Director in January 2010. He spent 25 years as a member of the Managing Board of Suedzucker AG, and served as the chief financial officer of Suedzucker from 1980 to 2006. During Dr. Kirsch's years at Suedzucker, it grew from a regional sugar company to a multinational food group. As chief financial officer of Suedzucker, Dr. Kirsch was instrumental in its offering of commercial paper and hybrid bonds. Prior to joining Suedzucker, Dr. Kirsch began his career at Deutsche Bank, where he worked for 10 years. He is a board member of Vossloh AG and GELITA AG, and a former supervisory board member of Agrana AG, Freiburger Holding, Raffinerie Tirmontaise, Slaska Spolka Cukrowa and Saint Louis Sucre, as well as a former member of the advisory boards of Deutsche Bank AG, Landesbank Baden-Württemberg, Allianz/ Frankfurter Versicherung AG, and EON Ruhrgas. He further served on the Stock Exchange Council in Stuttgart. Dr. Kirsch studied law at the Universities of Frankfurt, Geneva, Cologne and Düsseldorf and earned his doctorate in 1970. Dr. Kirsch studied law at the Universities of Frankfurt and Geneva and completed his course in Cologne in 1966. He qualified for the bar in and also earned a Ph.D. in law in 1970 from the University of Düsseldorf. Dr. Kirsch's business address is Am Michelsgrund 14, 69469 Weinheim Bergstrasse, Germany.

The Directors of the Company play a key role in evaluating prospective acquisition candidates, selecting the target business, and structuring, negotiating and consummating a Business Combination. None of the Company's

initial seven Directors has been a principal of or affiliated with a public company or blank check company that executed a business plan similar to the Company's business plan and none of these individuals is currently affiliated with such an entity.

Biographies of the Company's Post-Transaction Directors

For biographies of Mr. Reutner, Mr. Hofstetter and Mr. Brauchli, see "*Business of the Exceet Group—Governing Bodies and Management—Members of the Board of Directors*" elsewhere in this proxy statement. Biographies of Mr. Lienau and Mr. van Ommeren are set forth above under "*—Biographies of Existing Directors*".

Dr. Hagen Hultzs completed his degree in physics/nuclear physics at Johannes Gutenberg University in Mainz, Germany, in 1965, where he also obtained his doctorate in physics/nuclear physics in 1970. Between 1971 and 1973, Dr. Hultzs worked as a research assistant, and between 1973 and 1976, he was assistant professor at the University of Mainz, Germany. From 1973 to 1974, Dr. Hultzs was a post doctoral fellow at IBM Thomas J. Watson Research Center in Yorktown Heights, New York, United States. Between 1977 and 1985, he was director of the computer center of the society for heavy ions research in Darmstadt, Germany. From 1985 to 1988, Dr. Hultzs was director of Technische Dienste EDS Deutschland GmbH, Rüsselsheim, Germany, and from 1988 to 1993, he worked as divisional director for management organization and information systems at Volkswagen AG, Wolfsburg, Germany. Between 1993 and 2001, Dr. Hultzs was management board member at Deutsche Telekom AG, Bonn, Germany, responsible for technical services. After his retirement in 2001, Dr. Hultzs continued to be active as holder of various advisory and supervisory board positions of technology companies and research facilities.

Director Independence

Before the Transaction. The Board of Directors of the Company believes that each of its Class A Directors, Dr. Christoph Kirsch, Dr. Jürgen Heraeus and Mr. Alain Georges, are independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

After the Transaction. The Board of Directors of the Company believes that Dr. Hagen Hultzs will be independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, his judgment.

Committees of the Board of Directors

The Board of Directors of the Company currently has one standing committee, an Audit Committee. After the consummation of the Transaction, the Board of Directors will also have a Compensation Committee.

Audit Committee

The Audit Committee is responsible for, among other things, considering matters relating to financial controls and reporting, internal and external audits, the scope and results of audits and the independence and objectivity of auditors. The Committee monitors and reviews the Company's audit function and, with the involvement of the Company's auditor, focuses on compliance with applicable legal and regulatory requirements and accounting standards. Ernst & Young, a registered member of the *Institut des Réviseurs d'Entreprises*, currently serves as the Company's independent auditor. The current members of the Audit Committee, who will resign from the Board of Directors upon consummation of the Transaction, are Mr. Ropert, Mr. George, Dr. Heraeus and Dr. Kirsch. Upon consummation of the Transaction, the Audit Committee will be reconstituted with the following Directors as members: Roland Lienau, Dr. Hagen Hultzs, and as chair, Thomas Brauchli.

Nomination and Remuneration Committee

The Board of Directors of the Company is expected to create a Nomination and Remuneration Committee immediately following the consummation of the Transaction. The initial members of the Nomination and Remuneration Committee will be: Hans Hofstetter, Dr. Hagen Hultzs, and as chair, Dirk-Jan van Ommeren. The Nomination and Remuneration Committee will be responsible for, among other things, the search for adequate candidates for the Board of Directors in case of vacancies and the preparation of discussions of the Board of Directors on this as well as making suggestions for the remuneration of the members of management and the Board of Directors.

Director Compensation

The Company currently pays an aggregate of €25,000 per annum to each of its three independent Directors as compensation for their services on its Board of Directors. Directors or their affiliates may receive finder's fees, consulting fees or other similar fees from the Founders in connection with their efforts in sourcing or executing a Business Combination involving the Company, although no such fees are owed in connection with the Transaction that is the subject of this proxy statement. Such compensation, if any, would be expected to take the form of Founding Shares or Founding Warrants.

Other than as described above, in no event will the Company pay its Directors or any entity with which they are affiliated any finder's fee or other compensation prior to or in connection with the consummation of a Business Combination. However, these individuals will be reimbursed for any out-of-pocket expenses, such as travel expenses, incurred in connection with activities on the Company's behalf to identify potential target businesses and perform due diligence on suitable Business Combinations (including the contemplated Transaction) provided, however, that the amounts of any such reimbursements will be limited to the extent they exceed the amount available from the funds held outside the Escrow Account.

Other than as described below in "*Certain Relationships and Related Transactions*", the Company's directors have not received any Company equity securities.

Further Information on the Directors

During the preceding five years, none of the Directors of the Company have been convicted of any fraudulent offenses, served as an officer or director of any company subject to a bankruptcy, receivership or liquidation, been the subject of any public incrimination or of sanctions by a statutory or regulatory authority (including designated professional bodies) or been disqualified by any court of competent jurisdiction from acting as a member of the administrative, management or supervisory body of any issuer or from participating in the management or conduct of the affairs of any issuer. There have been no bankruptcies, receiverships or liquidations with which any member of the Company's Board of Directors or senior management, acting in the capacity of a member of the administrative, management or supervisory bodies of the entity concerned, was associated, for the past five years. No Director benefits from any service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

Duties of Directors under Luxembourg Law Regarding a Conflict of Interest

According to the Articles of Association of the Company, any Director who has, directly or indirectly, a proprietary interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Company's interest, must inform the Board of Directors of such conflict of interest and must have his declaration recorded in the minutes of the board meeting. The relevant Director may not take part in the discussions on and may not vote on the relevant transaction. Any such conflict of interest must be reported to the next general meeting of Shareholders prior to taking any resolution on any other item. No director has informed the Company of such a conflict of interest in connection with the contemplated Transaction.

Limitation on Liability and Indemnification of Directors

Directors of the Company may be indemnified out of its assets from and against all actions and liabilities in respect of which they may be lawfully indemnified and which is incurred by them in the execution of their duty except such (if any) as they may incur or sustain by or through their own negligence, default, breach of duty or breach of trust. The Company maintains insurance for the benefit of its Directors (or those of any of its subsidiaries) including insurance against costs, charges, expenses, losses or liabilities suffered or incurred by such persons in the actual or purported discharge of their respective duties, powers and discretions in relation to the Company.

Management of the Company

Before the Transaction. In accordance with article 60 of the Luxembourg Company Law, at the date of this proxy statement, the Board of Directors has delegated the daily management and the Company's representation in connection with such daily management to Roland Lienau, who is referred to as the Chief Executive Officer of the Company. Notwithstanding this delegation, the Company's Articles of Association require express Board approval of certain acts of daily management including entering into transactions involving amounts or potential exposure in excess of €50,000 and certain other actions including bringing proceedings before a court.

After the Transaction. Following the Transaction, it is anticipated that the Company's current management will resign and the Board of Directors will delegate the daily management of the Company to the current members of the Management Board of Exceet Group AG, who will act as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Integration Officer of the new Group, as shown in the table below.

Name	Age	Position
Ulrich Reutner	46	Chief Executive Officer (CEO)
Ulrich Feisst	44	Chief Financial Officer (CFO)
Robert Wolny	42	Chief Operational Officer (COO)
Jan Trommershausen	45	Chief Integration Office (CIO)

Daily Management Matters Requiring a Decision of the Board of Directors

Pursuant to the amended Articles, certain matters relating to the daily management of the Company will require a decision of the Board of Directors, including the following:

- any agreement for the formation of a joint venture, consortium or partnership (other than ordinary commercial contracts) the combined net asset value or share capitalization of which is in excess of two million euro (€2,000,000);
- the incurrence of any new or additional borrowing or indebtedness by the Company or its Affiliates not included in the approved annual budget in excess of ten million euro (€10,000,000) other than working capital financing in the normal course of business;
- the granting by the Company or its Affiliates of any kind of security or guarantee outside the normal course of business or in excess of ten million euro (€10,000,000);
- the conclusion, modification or termination by the Company or its Affiliates of any agreement the terms of which require payment in excess of five million euro (€5,000,000), unless included in the approved annual budget;
- any capital expenditure by the Company or its Affiliates not included in the approved annual budget in excess of five million euro (€5,000,000) per transaction (or series of related transactions);
- the conclusion, modification or termination by the Company or its Affiliates of any agreement with a related party;
- any listing or public offering of securities issued by the Company or its Affiliates;
- the initiation, choice of a defense strategy or settlement by the Company or its Affiliates of any litigation or arbitral proceedings where the amount at stake for the Company or its Affiliates is in excess of five million euro (€5,000,000);
- any material change to the business or activities of the Company or its Affiliates, including entering into material new lines of business, discontinuing of a material activity or adopting any material change in strategic direction; and
- the appointment or removal of any director or any key employee; the implementation of any management incentive scheme; and the introduction or abolition of any remuneration packages for the Company or its Affiliates.

Biographical Information for Management

For the biographies of the Management of the Company following the Transaction, see the section entitled *“Business of the Exceet Group—Governing Bodies and Management—Board of Directors and Management Board of Exceet Group AG—Members of the Management Board”*.

Advisory Board

Following the consummation of the Transaction, the Board of Directors intends to appoint an advisory board consisting of up to six members to advise and assist the management of the Combined Group in connection with future acquisitions and integration of acquired companies.

Governance Provisions in the Shareholders Agreement

As described under “*Beneficial Ownership of the Company’s Securities—Shareholders Agreement between the Founders, Ventizz and Management*”, the Founders and the Sellers have entered into a Shareholders Agreement effective upon the consummation of the Transaction (conditional upon receipt of an exemption from any obligation of the Company, the Wendel Shareholder or the Sellers to launch a mandatory takeover bid for the outstanding Public Shares) under which they will agree to certain provisions relating to the governance of the Company, including the composition of the Board of Directors and its Committees.

Management Incentive Program

In the Share Purchase Agreement, the parties have agreed, as soon as reasonably practicable after the Closing date to jointly establish a management incentive program at the Company level in which certain members of the administrative board and the management team of Exceet Group AG and certain members of management of the Combined Group will be given the opportunity to participate. The specific terms of the program have not been established and will be considered after the closing of the Transaction.

BENEFICIAL OWNERSHIP OF THE COMPANY'S SECURITIES

Share Ownership

Before the Transaction

The following table sets forth information regarding the beneficial ownership of the Company's share capital as of the date of this proxy statement, based on Shareholder reports provided to the Company through the date hereof, and on communications with its Directors. Unless otherwise indicated, the Company believes that all persons named in the table below have sole voting and investment power with respect to Founding Shares and Public Shares beneficially owned by them.

	Before consummation of the Transaction(1)				
	Public Shares	% of Public Shares	Founding Shares(5)	% of Founding Shares	% of Voting Shares
Wendel Shareholder(2)	1,350,000	6.8%	5,557,894	88.0%	26.2%
Prof. Hermann Simon(3)	—	—	378,948	6.0	1.4
Roland Lienau	—	—	378,948	6.0	1.4
Subtotal: Founders and Directors and Officers(4)	1,350,000	6.8	6,315,790	100.0	29.1
Ventizz	—	—	—	—	—
Ulrich Reutner	—	—	—	—	—
Robert Wolny	—	—	—	—	—
Jan Trommershausen	—	—	—	—	—
Subtotal: Sellers	—	—	—	—	—
Subtotal: Founders + Sellers	1,350,000	6.8	6,315,790	100.0	29.1
Citigroup Global Capital Markets Limited(6)	2,000,000	10.0	—	—	7.6
Deutsche Bank AG(6)	1,750,932	8.8	—	—	5.7
DekaBank(6)	1,500,000	7.5	—	—	5.7
RBC Capital Markets	974,604	4.9	—	—	3.8
Magnetar Financial(6)	900,000	4.5	—	—	3.8
Arrowgrass International Fund(6)	725,000	3.6	—	—	3.8
Other Directors and officers (combined)(7)	15,000	0.1	—	—	0.1
Other Public Shareholders	10,784,464	53.9	—	—	36.7
Subtotal: Public Shareholders	18,650,000	93.3	—	—	70.9
Total	20,000,000	100.0%	6,315,790	100.0%	100.0%

- (1) Shareholdings of parties other than the Founders and the Sellers are based on Shareholder declarations received as of June 6, 2011. Pursuant to the Company's Articles and Luxembourg law, Shareholders are required to notify the Company upon exceeding certain share thresholds and are not permitted to vote Shares in excess of such thresholds until the required notifications have been made. See "*Description of the Securities—Notification of the Acquisition or Disposal of Major Shareholdings*".
- (2) Wendel SA holds its Founding Shares and Public Shares through its wholly-owned subsidiary, the Wendel Shareholder.
- (3) Prof. Hermann Simon holds his Founding Shares through Eiflia Holding GmbH, an entity he controls.
- (4) By virtue of the agreements pursuant to which they are bound to vote in favor of the Business Combination Proposal, each of the Wendel Shareholder, Prof. Simon and Mr. Lienau may be deemed to beneficially own each other's Shares.
- (5) The Founding Shares issued prior to the IPO will be automatically converted into Public Shares in three performance-based installments. The first conversion will take place on the consummation of the Transaction. The second and third installments will convert if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €14 and €16, respectively (after giving effect to the amendment to the terms and conditions of the Founding Warrants, which becomes effective upon consummation of the Transaction). In addition, the Founders have agreed to exchange the outstanding Founding Warrants for 1,000,000 newly issued Founding Shares that will convert into Public Shares if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €12.
- (6) Together with or through its subsidiaries or affiliates.
- (7) Excluding Prof. Simon and Mr. Lienau.

As Adjusted for the issuance of Shares in connection with the Transaction

The following table sets forth information regarding the beneficial ownership of the Company's share capital at the date of this proxy statement, as adjusted to reflect the issuance of additional Public Shares, Founding Shares and Earnout Shares in connection with the Transaction, and assuming none of the existing Public Shares are redeemed and no purchases are made under the Founders' Purchase Option. Unless otherwise indicated, the Company believes that all persons named in the table below have sole voting and investment power with respect to Founding Shares, Earnout Shares and Public Shares beneficially owned by them.

	After Consummation of the Transaction(1)						
	Public Shares	% of Public Shares	Founding Shares(6)	% of Founding Shares	Earnout Shares(7)	% of Earnout Shares	% of Voting Shares
Wendel Shareholder(2)(8)	3,202,632	12.7%	4,585,262	88.0%	—	—	19.8%
Prof. Hermann Simon(3)	126,316	0.5	312,632	6.0	—	—	1.1
Roland Lienau	126,316	0.5	312,632	6.0	—	—	1.1
Subtotal: Founders and other							
Directors and Officers(4)	3,455,264	13.7	5,210,526	100.0	—	—	22.0
Ventizz Capital Fund III	2,680,002	10.6	—	—	7,857,360	87.3	26.8
Ulrich Reutner	185,673	0.7	—	—	544,365	6.0	1.9
Robert Wolny	185,673	0.7	—	—	544,365	6.0	1.9
Jan Trommershausen	18,388	0.1	—	—	53,910	0.6	0.2
Subtotal: Sellers	3,069,736	12.2	—	—	9,000,000	100.0	30.6
Subtotal: Founders + Sellers(5) . . .	6,525,000	25.9	5,210,526	100.0	9,000,000	100.0	52.7
Citigroup Global Markets Limited(9)	2,000,000	7.9	—	—	—	—	5.1
Deutsche Bank AG(9)	1,750,932	7.0	—	—	—	—	4.4
DekaBank(9)	1,500,000	6.0	—	—	—	—	3.8
RBC Capital	974,604	3.9	—	—	—	—	2.5
Magnetar Financial(9)	900,000	3.6	—	—	—	—	2.3
Arrowgrass International Fund(9) . .	725,000	2.9	—	—	—	—	1.8
Other Directors and officers(10)	15,000	0.1	—	—	—	—	—
Other Public Shareholders	10,784,464	42.8	—	—	—	—	27.4
Subtotal: Public Shareholders	18,650,000	74.1	—	—	—	—	47.3
Total	25,175,000	100.0%	5,210,526	100.0%	9,000,000	100.0%	100.0

- (1) As adjusted to reflect the issuance of 1,000,000 Founding Shares, 9,000,000 Earnout Shares and 3,069,736 Public Shares in connection with the Transaction. Shareholdings of parties other than the Founders and the Sellers are based on Shareholder declarations received as of June 6, 2011. Pursuant to the Company's Articles and Luxembourg law, Shareholders are required to notify the Company upon exceeding certain share thresholds and are not permitted to vote Shares in excess of such thresholds until the required notifications have been made. See "*Description of the Securities—Notification of the Acquisition or Disposal of Major Holdings*".
- (2) Wendel SA holds its Founding Shares and Public Shares through its wholly-owned subsidiary, the Wendel Shareholder.
- (3) Prof. Hermann Simon holds his Founding Shares through Eiflia Holding GmbH, an entity he controls.
- (4) By virtue of the agreements pursuant to which they are bound to vote in favor of the Business Combination Proposal, each of the Wendel Shareholder, Prof. Simon and Mr. Lienau may be deemed to beneficially own each other's Shares.
- (5) By virtue of the Shareholders Agreement the Wendel Shareholder and the Sellers intend to enter into upon the consummation of the Transaction, each of them may be deemed to beneficially own the Shares held by the other(s).
- (6) The Founding Shares issued prior to the IPO will be automatically converted into Public Shares in three performance-based installments. The first conversion will take place on the consummation of the Transaction. The second and third installments will convert if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €14 and €16, respectively (after giving effect to the amendment to the terms and conditions of the Founding Warrants, which becomes effective upon consummation of the Transaction). In addition, the Founders have agreed to exchange the outstanding Founding Warrants for 1,000,000 newly issued Founding Shares that will convert into Public Shares if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €12.

- (7) The Earnout Shares issued in connection with the Transaction will convert into Public Shares in three equal performance-based installments. The first, second and third installments will convert if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €12, €13 and €15, respectively.
- (8) Pursuant to the Company's Articles, Public Shareholders that intend to vote against the Business Combination Proposal can validly request redemption of their Public Shares only if they first grant the Wendel Shareholder the Founders' Purchase Option to purchase such Public Shares. The Public Share figures for the Wendel Shareholder do not include any Public Shares that may be purchased pursuant to the Founders' Purchase Option.
- (9) Together with or through its subsidiaries or affiliates.
- (10) Excluding Prof. Simon and Mr. Lienau.

As Adjusted for requested redemptions of 35% Public Shares, minus one share

The following table sets forth information regarding the beneficial ownership of the Company's share capital at the date of this proxy statement, as adjusted to reflect the issuance of additional Public Shares, Founding Shares and Earnout Shares in connection with the Transaction, and assuming the Company receives requests for redemptions from Public Shareholders representing 35% minus one share of outstanding Public Shares and the Wendel Shareholder exercises the Founders' Purchase Option in respect of 1,896,695 Public Shares (such amount representing the minimum exercise required to satisfy the closing condition of a minimum €15 million capital contribution into Exceet Group AG at such level of redemption requests). The Wendel Shareholder is not obligated to make such purchases. Unless otherwise indicated, the Company believes that all persons named in the table below have sole voting and investment power with respect to Founding Shares, Earnout Shares and Public Shares beneficially owned by them.

	After Consummation of the Transaction and exercise of Founders' Purchase Option(1)						
	Public Shares	% of Public Shares	Founding Shares(6)	% of Founding Shares	Earnout Shares(7)	% of Earnout Shares	% of Voting Shares
Wendel Shareholder(2)(8)	5,101,327	25.4%	4,585,262	88.0%	—	—	% 28.3%
Prof. Hermann Simon(3)	126,316	0.6	312,632	6.0	—	—	1.3
Roland Lienau	126,316	0.6	312,632	6.0	—	—	1.3
Subtotal: Founders(4)	3,455,264	26.7	5,210,526	100.0	—	—	30.8
Ventizz Capital Fund III	2,680,002	13.4	—	—	7,857,360	87.3	30.7
Ulrich Reutner	185,673	0.9	—	—	544,365	6.0	2.1
Robert Wolny	185,673	0.9	—	—	544,365	6.0	2.1
Jan Trommershausen	18,388	0.1	—	—	53,910	0.6	0.2
Subtotal: Sellers	3,069,736	15.3	—	—	9,000,000	100.0	35.2
Subtotal: Founders + Sellers(5) . . .	6,525,000	42.0	5,210,526	100.0	9,000,000	100.0	66.0
Subtotal: Public Shareholders	11,650,001	58.0	—	—	—	—	34.0
Total	20,073,696	100.0%	5,210,526	100.0%	9,000,000	100.0%	100.0

- (1) As adjusted to reflect the issuance of 1,000,000 Founding Shares, 9,000,000 Earnout Shares and 3,069,736 Public Shares, redemption requests with respect to 6,999,999 Public Shares, and the exercise of the Founders' Purchase Option by the Wendel Shareholder with respect to 1,898,695 Public Shares in connection with the Transaction.
- (2) Wendel SA holds its Founding Shares and Public Shares through its wholly-owned subsidiary, the Wendel Shareholder.
- (3) Prof. Hermann Simon holds his Founding Shares through Eiflia Holding GmbH, an entity he controls.
- (4) By virtue of the agreements pursuant to which they are bound to vote in favor of the Business Combination Proposal, each of the Wendel Shareholder, Prof. Simon and Mr. Lienau may be deemed to beneficially own each other's Shares.
- (5) By virtue of the Shareholders Agreement, the Wendel Shareholder and the Sellers intend to enter into upon the consummation of the Transaction, each of them may be deemed to beneficially own the Shares held by the other(s).
- (6) The Founding Shares issued prior to the IPO will be automatically converted into Public Shares in three performance-based installments. The first conversion will take place on the consummation of the Transaction. The second and third installments will convert if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €14 and

€16, respectively (after giving effect to the amendment to the terms and conditions of the Founding Warrants, which becomes effective upon consummation of the Transaction). In addition, the Founders have agreed to exchange the outstanding Founding Warrants for 1,000,000 newly issued Founding Shares that will convert into Public Shares if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €12.

- (7) The Earnout Shares issued in connection with the Transaction will convert into Public Shares in three equal performance-based installments. The first, second and third installments will convert if the Company's Daily VWAP on any 20 out of any 30 consecutive Trading Days following the consummation of the Transaction is at least equal to €12, €13 and €15, respectively.
- (8) Pursuant to the Company's Articles, Public Shareholders that intend to vote against the Business Combination Proposal can validly request redemption of their Public Shares only if they first grant the Wendel Shareholder the Founders' Purchase Option to purchase such Public Shares. The Public Share figures for the Wendel Shareholder do not include any Public Shares that may be purchased pursuant to the Founders' Purchase Option.

Major Shareholders

Wendel SA ("Wendel") is a prominent family-controlled European listed investment company with over 300 years of history and a 30-year track record of successful industrial investments. Wendel is the reference shareholder in a portfolio of listed and private companies with a total value of approximately €7 billion that includes leading companies such as Saint Gobain, Bureau Veritas and Legrand. Wendel's investment philosophy is to focus on helping global companies that are leaders in their respective markets build long-term value by enhancing their strategic positioning, improving margins and free cash flow generation and pursuing opportunities for external growth and value creation through integration and restructuring efforts.

Ventizz Capital Fund III Holding Company LLC ("Ventizz"), a private equity fund with its seat and business address in Wilmington, Delaware, United States, is the founding shareholder of Exceet Group AG and has the largest shareholding in Exceet Group AG of the Sellers. The sole shareholder of Ventizz is Ventizz Capital Fund III, L.P., a private equity fund in the legal form of a limited partnership, having its registered office and business address in Delaware, United States. The sole general partner of Ventizz Capital Fund III, L.P. is Ventizz Capital Fund III GP, L.P. The limited partners of Ventizz Capital Fund III, L.P. are international funds of funds having a diversified investor structure themselves and holding between 7.92 percent and 29.7 percent of the commitments/partnership interests in Ventizz, L.P. Ventizz is represented by its member, Ventizz Capital Fund III, L.P., in turn represented by its general partner Ventizz Capital Fund III GP, L.P. in turn represented by its general partner VCF III, LLC. VCF III, LLC is owned by Ventizz Capital Holding KG, the general partners of which are a variety of persons, of which none has a controlling influence.

Founder Lock-ups

The Founders have agreed not to sell the Public Shares issued upon conversion of the Founding Shares issued prior to the IPO for at least 18 months following the consummation of the Transaction. This commitment does not apply to (i) transfers of such Public Shares to any Founder or any affiliate of a Founder; (ii) transfers of such Public Shares to professional firms that act as finders in connection with a Business Combination; (iii) transfers of such Public Shares to Wendel employees who provide services relating to a Business Combination; (iv) sales of Public Shares, in the case of the Wendel Shareholder, to the extent necessary to generate proceeds in an amount equal to amounts contributed by the Wendel Shareholder to the Company to cover cost overruns; (v) sales of Public Shares to the Company in the context of any buyback of Shares initiated by the Company; (vi) sales of Public Shares in the context of any private or public offer to purchase (whether for cash or other consideration) a majority of the Company's issued and outstanding Shares or other securities; (vii) in the case of the Wendel Shareholder, sales of Public Shares in the context and in consideration of any acquisition of assets; (viii) in the case of the individual Founders (Prof. Hermann Simon and Mr. Roland Lienau), sales to the extent necessary to generate proceeds to repay debt incurred to purchase the Founding Shares or Founding Warrants, (ix) in the case of the individual Founders, transfers of such Public Shares as a bona fide gift or gifts; (x) in the case of the individual Founders, transfers of such Public Shares to any trust for the direct or indirect benefit of a Founder or immediate family thereof; or (x) in the case of the individual Founders, transfers of such Public Shares by will or intestate succession; provided that for each of these exceptions other than (v) and (x), each such transferee agrees to be bound by the same restrictions for the remainder of the 18 month period.

Founders Agreement

In connection with the Company's IPO, the Founders entered into an agreement addressing certain governance matters and granting Wendel the right (and in some cases the obligation) to acquire the Founding Shares and Founding Warrants of individual Founders under certain circumstances as well as a right of first refusal in respect of Public Shares issued upon conversion of the individual Founders' Founding Shares. After the consummation of the Transaction, the only significant provision of the agreement that will remain in effect is the right of first refusal.

Shareholders Agreement between the Founders, Ventizz and Management

The Founders, Ventizz, and Ulrich Reutner, Robert Wolny and Jan Trommershausen ("Management", and together with the Founders and Ventizz the "Shareholder Parties") have entered into a shareholders agreement (the "Shareholders Agreement"), in order to allow the Shareholder Parties (i) to organize their respective voting rights as Shareholders of the Company, (ii) to organize their respective representation with respect to the governance of the Company, and (iii) to organize the possible transfer of all or part of their respective shareholdings with a view not to negatively impact the market conditions of the Public Shares. The Shareholders Agreement will become effective upon closing of the Transaction and receipt of an exemption by the CSSF from the obligation to launch a mandatory takeover bid.

Under the Shareholders Agreement, each of the Wendel Shareholder and Ventizz will have the right to designate as nominees two (2) members of the Board of Directors of the Company, and the remaining positions on the six-member Board will be filled by a member of the management board of Exceet Group AG and an independent member. With respect to the position of the Chairman of the Board, who shall have a casting vote in the case of a tie, the Shareholder Parties have agreed to nominate a Board member nominated for appointment by Ventizz to serve for the first two years following the Consummation Date. During the following two years, the Shareholder Parties have agreed to nominate for Chairman a member nominated for appointment by the Wendel Shareholder; thereafter, this arrangement with respect to the change in Chairmanship of the Board of Directors shall be repeated on a rolling basis every two years, starting with a member nominated by Ventizz again. If at any time either of the Wendel Shareholder or Ventizz holds less than 10% but greater than 5% of the outstanding shares of the Company, such Shareholder shall only be entitled to nominate one nominee rather than two; if such Shareholder's ownership drops below 5%, it shall no longer be entitled under the Shareholders Agreement to nominate any Directors for election to the Board. Such rights to nominate such candidates are not cumulative with any rights to so designate nominees under the Articles; for example, if the Wendel Shareholder or Ventizz hold shares which under the Articles empower it to nominate one candidate, such Shareholder's rights under the Shareholders Agreement would not permit it to nominate three candidates, but only a maximum of two.

Each of the Wendel Shareholder and Ventizz will be entitled to designate two (2) additional representatives to be present as observers at meetings of the Board of Directors (subject to Luxembourg law) as long as such Shareholder Party holds more than 10% of the shares. The Board of Directors of Exceet Group AG is to be identical to Board of the Company. Each Board shall also have an audit committee and a nomination and compensation committee, each comprised of three (3) members, for each of which each of the Wendel Shareholder and Ventizz will have the right to nominate one (1) candidate. In addition to the Board of Directors, the Company shall benefit from an Advisory Board created to advise on future acquisitions and integration of target companies, such board consisting of up to up to six (6) members, an equal number of which shall be nominees of Ventizz and the Wendel Shareholder.

The Shareholders Agreement requires that certain "Strategic Decisions" concerning the governance and business activities of the Company be subject to the prior approval of the Board of Directors, or if required by Luxembourg law or the Articles, to prior approval by a general meeting of Shareholders. Strategic Decisions include fundamental corporate actions such as amendments to the Company's organizational documents, acquisitions, and issuances of securities, operations strategy such as the approval of annual budgets and financing, and other material matters such as litigation and related party transactions. The Shareholder Parties will consult one another prior to meetings of the Board or of Shareholders with a view to agreeing on a common decision with respect to any Strategic Decision or on amendments to the internal rules of the Board of Directors, and shall not vote for changes to the Articles in contradiction with the governance provisions of the Shareholders Agreement. However, the Shareholders Agreement does not provide for any veto rights or any other rights or obligations of the Shareholder Parties with respect to the exercise of their respective voting rights (except for the above consultation obligation).

Each of the Shareholder Parties has agreed to a lock-up period during which time they shall be restricted from transferring Public Shares of the Company to third parties. For Management, the restricted period is 12

months following the Consummation Date. The Founders are subject to a post-Consummation Date lock-up period of 18 months, subject to certain exceptions, but only with respect to the 2,105,264 Public Shares they are to receive upon the conversion of their Class B1 Founding Shares on the Consummation Date. For Ventizz, such lock-up period with respect to its Public Shares is to last six months following the Consummation Date, subject to a carve-out for transfers to its affiliates during such time. In addition, Ventizz may only distribute its Public Shares and Earnout Shares to its fund investors as a distribution in kind following the second anniversary of the Consummation Date.

The Shares owned by each of Ventizz and the Wendel Shareholder are subject to a right of first offer in favor of the respective other Shareholder Party. The Shareholder Parties have committed to not enter into similar shareholders agreements with third parties, and have agreed to notify one another if they intend to acquire additional Shares sufficient to require them to launch a mandatory tender offer under Luxembourg law. The Shareholders Agreement has a term of five years, renewable for periods of one year, and shall automatically terminate at any time that either (i) Ventizz or (ii) the Wendel Shareholder, hold less than 5% of the Company's Shares. It shall also terminate in the event Ventizz distributes all Shares it holds to its investors. Parties may also terminate the Shareholders Agreement in the case of a breach of another Shareholder Party, or because an action by another party is reasonably expected to trigger an obligation for the Shareholder Parties to together launch a mandatory tender offer for the outstanding Shares of the Company.

Notwithstanding that the parties to the Shareholders Agreement will be deemed to be persons acting in concert within the meaning of Article 2(1)(d) of the Takeover Law and will together hold in excess of 33 1/3% of the Company's voting shares, no mandatory takeover bid will be launched as the Sellers and/or the Founders are expecting to be granted an exemption from the CSSF from the obligation to launch a mandatory takeover bid pursuant to Article 4(5) of the Takeover Law.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Certain Relationships and Related Transactions of Helikos SE

Ownership of Public Shares, Founding Shares and Founding Warrants

In October 2009, the Founders acquired an aggregate of 9,473,684 Founding Shares from the Company at a price of approximately €0.0152 per Founding Share (or an aggregate purchase price of €144,000 for 9,473,684 Founding Shares) in a private placement. In addition, in connection with the Company's IPO in February 2010, the Founders purchased 10,000,000 Founding Warrants at a purchase price of €1.00 per Founding Warrant (aggregate price of €10,000,000). The Wendel Shareholder paid €8,800,000 and each of Prof. Hermann Simon and Roland Lienau paid €600,000 for such purchase of the Founding Warrants. In connection with the IPO, a portion of these shares was subsequently redeemed to reduce the number of Founding Shares to 6,315,790.

In connection with the IPO, the Wendel Shareholder also subscribed for 1,600,000 Public Shares and Public Warrants at a price of €10.00 per unit, of which 250,000 Public Shares and Public Warrants were transferred to a third party at a price of €10.00 per unit.

The Founders are parties to the Share Purchase Agreement and the Shareholders Agreement, and have certain interests in this Transaction, as more fully described under *"Proposals to be Considered by Shareholders—the Business Combination Proposal—Certain Interests of the Company's Directors and Officers and Others in the Transaction"*.

Services Agreement

The Company, Helikos GmbH and Helikos KG (the "Service Recipients") have entered into a services agreement with Winvest Conseil, a Luxembourg *société à responsabilité limitée* wholly-owned by Wendel ("Winvest"), pursuant to which Winvest has agreed (itself or via its affiliates) to (i) provide administrative and secretarial services; (ii) provide office space; (iii) perform accounting and bookkeeping services; (iv) make available employees of Winvest to act as "deal teams" for evaluating and negotiating a Business Combination (including the Transaction); (v) provide other services including corporate planning and corporate development advice, investor relations and press relations advice and services and other ordinary course advice and services the Service Recipients may reasonably request from time to time. Under such services agreement, the Company pays Winvest €10,000 per month (plus VAT, if applicable) for these services until the earlier of the Company's consummation of a Business Combination and the Company's liquidation and to reimburse Winvest for out-of-pocket expenses incurred by Winvest in performing the services. This arrangement was agreed to by Winvest for the Company's benefit and is not intended to provide Winvest compensation in lieu of a management fee. The Company believes that such terms are at least as favorable as could have been obtained from an unaffiliated third party. If the Transaction is consummated, this services agreement will terminate.

Management Incentive Program

In the Share Purchase Agreement, the parties have agreed, as soon as reasonably practicable after the Closing date to jointly establish a management incentive program at the Company level in which certain members of the administrative board and the management team of Exceet Group AG and certain members of management of the Combined Group will be given the opportunity to participate. The specific terms of the program have not been established and will be considered after the closing of the Transaction.

Certain Relationships and Related Transactions of Exceet Group AG

Persons related to Exceet Group AG include the members of its management board and its board of directors as well as the members of corporate bodies in its subsidiaries, in each case including their family members, as well as those enterprises over which the members of the management board or the board of directors of Exceet Group AG or their close family members can exercise a controlling influence or in which they hold a substantial portion of the voting rights. In addition, related parties under IAS 24 include those enterprises together with which Exceet Group AG constitutes a corporate group or in which Exceet Group AG has a shareholding which permits it to exercise a controlling influence over the business policy of the enterprise in which it has the shareholding, as well as over the main shareholders of Exceet Group AG, and including the enterprises affiliated with them.

Exceet Group AG maintains various business relationships with related parties. The following business or legal relationships were concluded, in the view of Exceet Group AG, on customary market terms.

Shareholder Loans by Ventizz

Ventizz granted two subordinated loans in the total amount of €6,050 thousand to the Exceet Group. One loan in the amount of €5,000 thousand was granted to exceet Card Group AG (formerly CardFactory AG) on December 1, 2008, has a fixed term of five years and is fully repayable at the end of the term. Such loan bears interest of 100 base points above the six-months-EURIBOR published on January 2 of each year. The other loan in the amount of €1,050 thousand was granted to Exceet Group AG in 2007 to cover transaction costs in connection with the acquisitions of GS Präzisions AG (now GS Swiss PCB AG) and ECR AG. The loan bears interest at a rate to be fixed annually in accordance with the bulletin of the Swiss Federal Tax Administration about payment of the maximum interest rate for the calculation of non-cash benefits; in an additional agreement of 2009 the parties agreed that interest shall not be payable on an annual basis but accrue. The shareholder loan (plus accrued interest) becomes repayable upon an initial public offering of Exceet Group AG. Subject to the Share Purchase Agreement and depending on the percentage of shareholders requesting redemption of their Public Shares, the amounts outstanding under both loans (including accrued interest) shall be repaid by the Company on behalf of and without recourse to Exceet Group AG and exceet Card Group AG, respectively, thereby reducing the cash amount to be contributed to Exceet Group AG as part of the Transaction (see “*Questions and Answers about the Proposals for Public Shareholders and Warrantholders—Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?*”).

Vendor Loan by Robert Wolny

As part of the transfer of shares in VisionCard Kunststoffkartenproduktions GmbH to exceet Card Group AG (formerly CardFactory AG) in June 2009 (see “*Business of the Exceet Group—Material Contracts—Acquisition and Contribution Agreements—Acquisition of VisionCard Kunststoffkartenproduktions GmbH by exceet Card Group AG*”), Robert Wolny (member of the Exceet Group AG’s management board) granted a vendor loan to exceet Card Group AG for part of the purchase price. Robert Wolny holds 50% of the payment claim in trust for Ulrich Reutner. The vendor loan currently amounts to approximately €4,350 thousand (without interest accrued). The vendor loan bears interest at a rate of 100 basis points above the six-months-EURIBOR published on January 2 of each year. As collateral, a partial share (*Geschäftsanteil*) in the nominal amount of €17,500 in VisionCard Kunststoffkartenproduktions GmbH was pledged to Robert Wolny, who holds 50% of such collateral in trust for Ulrich Reutner. Subject to the Share Purchase Agreement, the amount outstanding under this loan shall be repaid by the Company on behalf of and without recourse to exceet Card Group AG thereby reducing the cash amount to be contributed to Exceet Group AG as part of the Transaction (see “*Questions and Answers about the Proposals for Public Shareholders and Warrantholders—Q. What happens to the funds deposited in the Escrow Account after consummation of the Transaction?*”).

Acquisition of exceet Card Group AG by Exceet Group AG

Between 2009 and 2010, Exceet Group AG acquired 67.81% of the nominal share capital in exceet Card Group AG (formerly CardFactory AG) (including 4,006,254 shares from Ventizz on June 30, 2009). For further details, see “*Business of the Exceet Group—Material Contracts—Acquisition and Contribution Agreements—Acquisition of exceet Card Group AG by Exceet Group AG*”.

Acquisition of The Art of Packaging s.r.o.

Pursuant to a share purchase agreement dated December 10, 2010, The Art of Packaging GmbH sold the entire share capital in The Art of Packaging s.r.o. to VisionCard Kunststoffkartenproduktions GmbH and IDvation GmbH. The sole shareholders of The Art of Packaging GmbH were Ulrich Reutner and Robert Wolny. VisionCard Kunststoffkartenproduktions GmbH acquired a share in The Art of Packaging s.r.o. in the nominal amount of CZK 1,480,000 (approximately 98.67% of the nominal share capital) and IDvation GmbH acquired a share in the nominal amount of CZK 1,480,000 (approximately 1.33% of the nominal share capital). The transfer of the shares occurred with effect as of December 31, 2010, 12:00 p.m. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Exceet Group—Consolidation—Expansion of Consolidation Basis in 2010*”.

Legal Services Rendered by Schoch Auer & Partner Rechtsanwälte

The members of the board of directors of Exceet Group AG Hans Hofstetter und Thomas Brauchli both are partners in the law firm Schoch Auer & Partner Rechtsanwälte in St. Gallen, Switzerland. In the financial years

ended December 31, 2008, 2009 and 2010 as well as in the three months ended March 31, 2011, Schoch Auer & Partner Rechtsanwälte rendered various legal services to Exceet Group AG. The amounts paid by Exceet Group AG to Schoch Auer & Partner Rechtsanwälte for their services (including remuneration for meetings of Exceet Group AG's board of directors) were CHF 152 thousand in 2008, CHF 246 thousand in 2009, CHF 283 thousand in 2010 and CHF 33 thousand in the first three months of 2011.

Sales of Goods with IEE Opto Sense GmbH

AEMtec GmbH held a 20% share in IEE Opto Sense GmbH, a joint venture company operated jointly with International Electronic & Engineering S.A., Luxembourg. AEMtec GmbH, International Electronic & Engineering S.A. and IEE Opto Sense GmbH entered into a service and manufacturing agreement. As considerations for the sale of goods under such service and manufacturing agreement, AEMtec GmbH received payments in the amount CHF 206 thousand from IEE Opto Sense GmbH in 2008, in the amount of CHF 791 thousand in 2009 and in the amount of CHF 22 thousand in 2010. Pursuant to an agreement among AEMtec GmbH, International Electronic & Engineering S.A. and IEE Opto Sense GmbH dated December 22, 2010, AEMtec GmbH sold and transferred its share in IEE Opto Sense GmbH to IEE S.A. Furthermore, the joint venture agreement as well as the service and manufacturing agreement were terminated.

DESCRIPTION OF THE SECURITIES

The following briefly describes the Public Shares, Public Warrants, Founding Shares and Earnout Shares, summaries of certain provisions of the Articles and certain requirements of the Luxembourg Company Law in effect on the date hereof. The summary describes the Company's share capital as it will exist if the Shareholder Proposals and the Warrant Amendment Proposal are approved and the Transaction is consummated. This summary does not purport to be complete and is qualified in its entirety by reference to the full Articles and applicable provisions of the Luxembourg Company Law and the full Terms and Conditions of the Public Warrants.

General

Pursuant to Article 3 of the Company's Articles, the objects for which the Company is established are the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, specially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Shares

General

The Company's Articles currently provide and, assuming the Articles Proposal will be duly passed, will provide for the following classes of Shares:

- **Public Shares.** At the date of this proxy statement, there are 20,000,000 Class A redeemable shares (the Public Shares) issued and outstanding. In connection with the Transaction (i) the Sellers will contribute a portion of the shares they hold in Exceet Group AG to the Company in exchange for 3,069,736 newly issued Public Shares and (ii) 2,105,264 of the outstanding Founding Shares (the Class B1 redeemable shares) will automatically convert into 2,105,264 newly issued Public Shares. Upon consummation of the Transaction there accordingly will be a total of 25,175,000 Public Shares issued and outstanding (excluding the effect of any redemptions by the Company).
- **Founding Shares.** At the date of this proxy statement, there are three classes of Founding Shares outstanding, 2,105,264 Class B1 redeemable shares; 2,105,263 Class B2 redeemable shares; and 2,105,263 Class B3 redeemable shares. In connection with the Transaction (i) all of the Class B1 redeemable shares will convert into Public Shares; and (ii) 1,000,000 shares of a fourth series of Founding Shares, the Class B4 redeemable shares, will be issued to the Founders, who have agreed to subscribe for such shares using the proceeds of the redemption of the outstanding Founding Warrants. The Class B1 redeemable shares, the Class B2 redeemable shares, the Class B3 redeemable shares and the Class B4 redeemable shares are collectively referred to herein as the "Founding Shares".
- **Earnout Shares.** At the date of this proxy statement, no Earnout Shares have been issued. Three classes of Earnout Shares will be established pursuant to the Earnout Shares Proposal. In connection with the Transaction, the Company will issue 3,000,000 Class C1 redeemable shares, 3,000,000 Class C2 redeemable shares and 3,000,000 Class C3 redeemable shares to the Sellers upon consummation of the Transaction. The Class C1 redeemable shares, the Class C2 redeemable shares and the Class C3 redeemable shares are collectively referred to herein as the "Earnout Shares".

The Shares are issued under Luxembourg law and are subject to provisions of Council Regulation (EC) No 2157/2001 of October 8, 2011 (the “Regulation”), the Articles, the Luxembourg Company Law, and all other applicable laws.

Authorized Share Capital. At the date of this proxy statement, the Company has an authorized capital of €7,600,000, divided into 500,000,000 Shares. It has an issued share capital of €400,000, divided into (i) 20,000,000 Public Shares and (ii) 6,315,790 Founding Shares. Pursuant to the Articles Proposal, the authorized share capital will be reduced upon consummation of the Transaction to € 764,965.86, consisting of 50,326,702 Shares (of which a total of 39,385,526 will be issued and outstanding after giving effect to the consummation of the Transaction, (and excluding the effect of any redemptions by the Company) leaving a total of 10,941,176 Public Shares of authorized but unissued share capital).

During a period of five years from the date of publication of the resolution of the Extraordinary General Meeting of Shareholders to be held on July 1, 2011 in the Official Gazette of the Grand Duchy of Luxembourg, *Mémorial C, Recueil des Sociétés et Associations* (the “*Mémorial*”), the Board of Directors is authorized to issue Shares, to grant options to subscribe for Shares and to issue any other instruments convertible into Shares within the limit of the authorized share capital, to such persons and on such terms as it shall see fit, and specifically to proceed to any such issue without reserving a preferential subscription right for the existing Shareholders. This authorization may be renewed once or several times by a resolution of the general meeting of Shareholders, adopted in the manner required for an amendment of the Articles, each time for a period not exceeding five years.

The amount of the authorized share capital of the Company may be increased or reduced by a resolution of the Shareholders of the Company in favor of such amendment passed by a majority of at least two-thirds of the votes validly cast at an extraordinary general meeting of Shareholders attended by at least a quorum of 50% of the issued share capital and subject to the conditions of the Luxembourg Company Law. Prior to a Business Combination such majority and quorum requirements are applicable to each Class of Shares, voting as a class. In case such quorum is not reached, a second meeting may be convened in which no quorum is required, but which must still approve the capital increase or reduction with two-thirds of the votes validly cast. Abstentions and nil votes will not be taken into account for the calculation of the majority.

Unless such rights are limited or suppressed by a general Shareholders’ meeting or the Board of Directors, existing Shareholders will have preferential rights, within the limits of the authorized capital, to subscribe for any new Shares to be paid for in cash in proportion to the number of Shares held by them in the Company’s share capital. The Board of Directors shall determine the period of time (not to be less than 30 days) during which such preferential subscription right may be exercised. Subject to the provisions of the Luxembourg Company Law, the general meeting of Shareholders called (i) to resolve upon an increase of the Company’s issued share capital or (ii) to resolve upon an authorization granted to the Board of Directors to increase the Company’s issued share capital, may limit or suppress the preferential subscription right of the existing Shareholder(s) or authorize the Board of Directors to do so.

All of the Public Shares are fungible, including the Public Shares that are to be newly issued to the Sellers as part consideration, those to be issued upon exercise of the Public Warrants and those that are to be issued upon conversion of the Founding Shares and Earnout Shares.

The Public Shares

After giving effect to the consummation of the Transaction, there will be a total of 25,175,000 Public Shares issued and outstanding (excluding the effect of any redemptions by the Company).

Holders of the Public Shares have the right to vote for the appointment of the Directors (subject to the rights of the Class B and Class C Shareholders to propose candidates for election to the Board following the adoption of the Articles Proposal) and on all other matters requiring Shareholder action. Holders of the Public Shares are entitled to one vote per Share and to receive dividends, if any, as may be declared from time to time by the Board of Directors and decided by the general meeting of Shareholders in its discretion out of funds legally available therefore. Upon the liquidation of the Company, the Public Shares will be entitled to receive pro rata all or substantially assets remaining available for distribution to Public Shareholders after payment of all liabilities (the liquidation rights of the Founding Shares and Earnout Shares will be limited to €0.0152 per Founding Share).

The Public Shares are listed on the Frankfurt Stock Exchange.

Founding Shares and Earnout Shares

General. Upon consummation of the Transaction, there will be a total of 5,210,526 Founding Shares issued and outstanding, consisting of 2,105,263 Class B2 redeemable shares, 2,105,263 Class B3 redeemable shares and

1,000,000 Class B4 redeemable shares and a total of 9,000,000 Earnout Shares issued and outstanding, consisting of 3,000,000 Class C1 redeemable shares, 3,000,000 Class C2 redeemable shares and 3,000,000 Class C3 redeemable shares. The Founding Shares and Earnout Shares are redeemable shares in the sense of the Luxembourg Company Law and have the same rights as the Public Shares, except as described below.

Conversion into Public Shares. The Founding Shares and Earnout Shares will automatically convert into Public Shares if the Daily VWAP reaches specified levels for a specified period as further described below. In connection with the aforementioned conversions, the Board of Directors shall be given all powers to implement the conversion of the Founding Shares and Earnout Shares into Public Shares and to make any statement, cast votes, sign all minutes of meetings and other documents, appear in front of a Luxembourg notary to state the occurrence of the conversion and make relevant amendments to the Articles, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of such conversion.

- *Conversion of Founding Shares into Public Shares.* The Founding Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Founding Share as follows:
 - the 2,105,264 Class B1 Shares that are currently issued and outstanding will be converted into Public Shares upon consummation of the Transaction;
 - the 2,105,263 Class B2 Shares will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €14.00. This conversion threshold reflects the amendment of the conversion terms of the Public Shares in connection with the Transaction, pursuant to which the conversion threshold will be raised from €11.00 to €14.00;
 - the 2,105,263 Class B3 Shares will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €16.00. This conversion threshold reflects the amendment of the conversion terms of the Public Shares in connection with the Transaction, pursuant to which the conversion threshold will be raised from €12.00 to €16.00;
 - the 1,000,000 Class B4 Shares that are issued in connection with the Transaction will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €12.00.

For this purpose, the “Daily VWAP” means, for any trading day, the per Public Share volume-weighted average price on Xetra® as reported by Bloomberg in respect of the period from scheduled opening of trading until the scheduled close of trading for the primary trading session on such trading day (or if such volume weighted average price is unavailable, the volume weighted average share price of the Public Shares on such trading day determined by Deutsche Bank AG, as calculation agent).

- *Conversion of Earnout Shares into Public Shares.* The Earnout Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Founding Share as follows:
 - the 3,000,000 Class C1 Shares will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €12.00;
 - the 3,000,000 Class C2 Shares will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €13.00;
 - the 3,000,000 Class C3 Shares that are issued in connection with the Transaction will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Transaction is at least equal to €15.00.
- *Dividend Rights.* In the event that distributions are made after the date of consummation of the Business Combination, (i) each Public Share, each Founding Share and each Earnout Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€0.01) per Share and (ii) each Public Share shall be entitled to the same fraction of (and the Founding Shares shall be entitled to none of) any distribution in excess of one eurocent (€0.01). The Founding Shares and Earnout Shares will not be entitled to any distribution in excess of one eurocent (€0.01).
- *Voting Rights.* Each Founding Share and Earnout Share is entitled to one vote at any ordinary or extraordinary general meeting of Shareholders, except under circumstances in which the Articles provide otherwise. Any Founding Shares or Earnout Shares that are not converted to Public Shares on


or prior to the fifth anniversary of the consummation of the Transaction will no longer be convertible into Public Shares and will be redeemed within six months of such date at a price equal to €0.0152 per Founding Share (subject to availability of sufficient funds). The Founders and the Sellers have agreed not to vote their Founding Shares or Earnout Shares, respectively, after such fifth anniversary on any matter other than those requiring a class vote of the Founding Shares or Earnout Shares under the Company's Articles.

- **Director Rights.** Following the approval of the Articles Proposal and the Consummation of the Transaction, (i) the Founding Shares, voting together as a class, will have the right to propose a Director for election to the Board of Directors so long as any Founding Shares remain outstanding, and (ii) the Earnout Shares, voting together as a class, will have the right to propose a Director for election to the Board of Directors so long as any Earnout Shares remain outstanding.
- **Liquidation Rights.** If the Company is liquidated before the consummation of a Business Combination, the holders of the Founding Shares will receive liquidation proceeds equal to €0.0152 per Founding Share. After the Transaction, the Public Shares, Founding Shares and Earnout Shares will have the same liquidation rights.
- **Transfer Restrictions.** The Founding Shares may not be transferred prior to their conversion into Public Shares (subject to limited exceptions for transfers among the Founders and their affiliates). The Earnout Shares may not be transferred prior to their conversion into Public Shares (subject to limited exceptions for transfers to management of Exceet Group AG and its affiliates), except that at any time after the second anniversary of the consummation of the Transaction, Ventizz may transfer the Earnout Shares as distributions-in-kind to its fund investors. In addition, each of the Founders has agreed not to sell or otherwise transfer its or his portion of the Public Shares that may be issued upon conversion of the Founding Shares for at least 18 months following the consummation of the Transaction, subject to certain limited exceptions described herein. See “Major Shareholders—Founder Lock-up”.
- **Redemption Provisions.** The Founding Shares and Earnout Shares will be redeemed by the Company at a redemption price equal to their accounting par value within six months of the fifth anniversary of the consummation of the Transaction if they have not previously been converted into Public Shares.
- **Listing.** The Founding Shares and Earnout Shares will not be listed on a stock exchange.

Dilution

Summary of Issuable Public Shares

Below is a chart summarizing, after giving effect to the Transaction, the number of Public Shares issuable upon the Conversion of Founders Shares and Earnout Shares, and the eligibility for exercise of Public Warrants, in each case at various Daily VWAPs.

	€ 10	€ 11	€ 12	€ 13	€ 14	€ 15	€ 16	€ 17
Founding Shares								
Class B1: Converts at Business Combination	2,105,264							
Class B2: Converts at €14					2,105,263			
Class B3: Converts at €16							2,105,263	
Class B4: Converts at €12			1,000,000					
Earnout Shares								
Class C1: Converts at €12			3,000,000					
Class C2: Converts at €13				3,000,000				
Class C3: Converts at €15						3,000,000		
Public Warrants								
Exercisable at €12, Redemption cap at €17 (10 million warrants, cashless exercise only) (maximum issuable approx. 2.94 million Public Shares)								

Redemption of Public Shares

The Public Shares are redeemable shares in the sense of the Luxembourg Company Law.

Prior to the consummation of a Business Combination, Public Shares may be redeemed for cash under the conditions described under “*Extraordinary General Meeting of Shareholders and Special Meeting of Warrantholders—Redemption Rights*.” Following the consummation of the Transaction, the Company may only redeem Public Shares under the conditions provided for by the Luxembourg Company Law, in particular following the procedure set out under “*—Repurchase of Public Shares*” and “*—Reduction of Capital*”.

Repurchase of Public Shares

The Company may repurchase its own Public Shares subject to the following conditions:

- (i) the respect of the principle of equal treatment of all Public Shareholders which are in the same position and the Luxembourg law of May 9, 2006 on market abuse;
- (ii) the prior authorization of the general meeting of Shareholders is obtained. This authorization must set forth the terms and conditions of the proposed repurchase, including the maximum number of Public Shares to be repurchased, the duration of the period for which the authorization is given and, in the case of repurchase for consideration, the minimum and maximum consideration per Public Share. The Board of Directors supervises the repurchases to ensure that the following conditions are respected;
- (iii) such acquisitions, including any Public Shares previously acquired and held by the Company and Public Shares held by a person acting for the Company’s account, may not reduce the net assets of the Company to a level below the aggregate of the issued share capital and the reserves that Company must maintain pursuant to Luxembourg law and the Company’s Articles; and
- (iv) only fully paid up Public Shares may be repurchased by the Company.

The condition in paragraph (ii) does not apply if:

- the acquisition of its own Public Shares is required to prevent imminent and severe danger for the Company. In such case, the Board of Directors must inform the next following general meeting of Shareholders of the reasons and aim of such acquisitions, the number and nominal value of the Public Shares acquired, the fraction of the share capital represented by the Public Shares repurchased and the consideration for such Public Shares; or
- the Public Shares are acquired by the Company or by a person acting for the Company’s account in view of a distribution of Public Shares to the employees of the Company (if any).

Reduction of Capital

The Company may reduce its capital subject to the following conditions:

- the decision of the general meeting of Shareholders must be adopted under the conditions necessary for an amendment of the Articles; and
- if the reduction of capital results in the capital being reduced below the legally prescribed minimum, the general meeting of Shareholders must at the same time resolve to increase the capital up to the required level.

The general meeting of Shareholders of the Company may also resolve to cancel Public Shares repurchased and held by the Company or held by a person acting for the Company’s account.

Form of the Shares

The Public Shares are issued in bearer form (see “*—Book-Entry*” below). The Founding Shares and Earnout Shares are issued in registered form.

The Company will recognize only one holder per Share. If a Share is owned by several persons, they must designate a single person to be considered the sole owner or such Share in relation to the Company. The Company is entitled to suspend the exercise of all rights attached to a Share held by several owners until such person has been designated. In case of Shares held through the operator of a securities settlement system or with

a professional depository or sub-depository designated by such depository, the Company—subject to it having received from the depository or sub-depository with whom those Public Shares are kept in account a certificate in proper form—will permit those persons to exercise the rights attaching to those Public Shares, including admission to and voting at general meetings of Shareholders, and shall consider those persons to be holders of those Public Shares. The Board of Directors may determine the formal requirements with which such certificates must comply. Notwithstanding the foregoing, the Company will make payments, by way of dividends or otherwise, in cash or other assets only into the hands of the depository or sub-depository in accordance with their instructions, and that payment shall release the Company from any and all obligations for such payment.

Ownership and Transfer of Public Shares

The Public Shares are issued in bearer form and are transferred by the mere delivery of the relevant share certificate(s). Public Shares held through a securities settlement system or a depository or sub-depository may be transferred in accordance with customary procedures for the transfer of bearer securities in book-entry form (see “—*Book-Entry*” below).

General Meetings

Any properly constituted general meeting of Shareholders represents all of the Shareholders of the Company. The following description summarizes the provisions of the Company’s Articles relating to the holding of general meetings of Shareholders, after giving effect to the amendments described in the Articles Proposal.

Record Date. As of the date of this proxy statement, before giving effect to the adoption of the amendments to the Articles provided for in the Articles Proposal, the record date is six Business Days prior to (and excluding) the date of the general meeting). Pursuant to the Articles Proposal, for general meetings after the consummation of the Transaction, the record date will be the date falling fourteen Business Days prior to (and excluding) the date of that general meeting of Shareholders.

Attendance at the Meeting. Any Shareholder who holds one or more Share(s) of the Company on the record date shall be admitted to the relevant general meeting of Shareholders. The amendments set forth in the Articles Proposal will add a requirement that any Shareholder who wishes to attend the general meeting must inform the Company thereof at the latest on the record date, in a manner to be determined by the Board of Directors in the convening notice. In case of Shares held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository, a holder of Shares wishing to attend a general meeting of Shareholders must obtain from such operator or depository or sub-depository a certificate certifying the number of Shares recorded in the relevant account on the record date. The certificate should be submitted to the Company at its registered address no later than three Business Days prior to the date of the general meeting (unless such period is shortened by the Board of Directors). If the Shareholder is voting through a proxy, the proxy should be deposited at the registered office of the Company or with any agent of the Company duly authorized to receive such proxies together with such certificate.

Convening Notices. The general meeting of Shareholders of the Company may be convened by the Board of Directors at any time, to be held at such place and on such date as specified in the notice of such meeting. The general meeting of Shareholders must be convened by the Board of Directors, upon request in writing indicating the agenda, addressed to the Board of Directors by one or several Shareholders representing at least 10% of the Company’s share capital. In such case, a general meeting of Shareholders must be convened and shall be held within a period of one month from receipt of such request. If a general meeting is not held in due time and, in any event, within two months from the receipt of such request, the competent Luxembourg courts may order that a general meeting be convened within a given period, or authorize either the Shareholders who have requested it or their representatives to convene such general meeting.

The convening notice for any general meeting of Shareholders must contain the agenda of the meeting, the place, date and time of the meeting, the description of the procedures that Shareholders must comply with in order to be able to participate and cast their votes in the general meeting. The amendments set forth in the Articles Proposal will amend the publication requirements for the convening notice to provide for publication 30 days before the meeting in the *Mémorial* and in a Luxembourg newspaper (which is expected to be the *Luxemburger Wort*) and in a manner ensuring fast access to it on a non-discriminatory basis in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Community. A notice period of 17 days will apply, in the case of a second or subsequent convocation of a

general meeting convened for lack of quorum on first convocation, provided that the applicable rules were followed for the first convocation and no new items are added to the agenda. For so long as the Shares are listed on the Frankfurt Stock Exchange, the Company will also publish such other notices of such meeting as may be required by applicable laws, regulations or rules of the Frankfurt Stock Exchange. If all Shareholders are present or represented at a general meeting of Shareholders and state that they have been informed of the agenda of the meeting, the general meeting of Shareholders may be held without prior notice.

Adjournment of Meetings. The Board of Directors may adjourn any general meeting of Shareholders already commenced, including any general meeting convened in order to resolve on an amendment of the Articles, for a period of four weeks. The Board of Directors must adjourn any general meeting of Shareholders already commenced if so required by one or several Shareholders representing in the aggregate at least twenty per cent (20%) of the Company's issued share capital. For the avoidance of doubt, once a meeting has been adjourned as set forth above, the Board of Directors shall not be required to adjourn such meeting a second time. No such Shareholder or group of Shareholders may request more than one adjournment of a particular general meeting. Upon an adjournment of a general meeting of Shareholders that has already commenced, any resolution already adopted in such meeting will be cancelled.

Addition of Items to the Agenda of a General Meeting. One or several Shareholders, representing at least 5% of the Company's issued share capital, may request the adjunction of one or several items to the agenda of any general meeting of Shareholders. Such request must be sent to the Company's registered office by registered letter at least three days prior to the date of the general meeting of Shareholders. In case such request entails a modification of the agenda of the relevant meeting, the Company will make available a revised agenda prior to the record date.

Annual General Meeting. The annual general meeting of Shareholders shall be held in Luxembourg, at the registered office of the Company or at such other place as may be specified in the notice of such meeting, at 12.00 (noon) on May 31 of each year. If such day is a legal holiday or falls on a weekend, the annual general meeting of Shareholders must be held on the next following Business Day. The Board of Directors shall convene the annual general meeting of Shareholders within a period of six months after the end of the Company's financial year. Other general meetings of Shareholders are held at such places and times as may be specified in the respective notices of meeting.

Voting at Shareholders' Meetings

Each Shareholder may vote at a general meeting of Shareholders through a signed voting form sent by mail or facsimile or by any other means authorized by the Board of Directors to the Company's registered office or to the address specified in the convening notice. The Shareholders may only use voting forms provided by the Company which contain at least the place, date and time of the meeting, the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three boxes allowing the Shareholder to vote in favor of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes. The Company will only take into account voting forms received prior to the general meeting of Shareholders to which they relate.

Shareholders may participate in general meetings of Shareholders by any means of telecommunication (including via telephone or videoconference), provided that such means of telecommunication allow the identification of the Shareholders participating by such means, and allow the persons taking part in such general meeting of Shareholders (whether in person or by proxy, or by means of such type of communications device) to hear them and to be heard by them at any time on a continuous basis and effectively participate in the meeting, subject to such means of communication being made available at the place of the meeting.

The Board of Directors may determine further conditions that must be fulfilled by the Shareholders for them to take part in any general meeting of Shareholders.

Each Public Share and each Founding Share is and each Earnout Share will be entitled to one vote at all general meetings of Shareholders. Under certain circumstances (*e.g.*, failure to comply with the requirements under “—*Notification of the Acquisition or Disposal of Major Holdings*”) a Shareholder's right to vote a portion of its Shares may be suspended. A Shareholder may act at any meeting of Shareholders by appointing another person as his proxy in writing by mail or facsimile or by any other means authorized by the Board of Directors. One person may represent several or even all Shareholders.

Unless a higher majority is required by the Luxembourg Company Law or the Articles (including in particular an amendment of the Articles in which case the resolution will be passed as set out below in

“—*Amendment of the Articles*”), resolutions at a general meeting of Shareholders duly convened will be passed by simple majority of the votes validly cast, and no quorum shall be required. For a description of the quorum requirements relating to the approval by the Public Shareholders of the Transaction, see “*The Extraordinary General Meeting of Shareholders and the Special Meeting of Warranholders—Quorum and Vote for Shareholders Proposals*”.

Amendment of the Articles

Resolutions on the amendment of the Articles at a general meeting of Shareholders duly convened will be passed by a majority of two thirds of the votes validly cast in an extraordinary general meeting of Shareholders in front of a Luxembourg notary, attended by at least a quorum of 50% of the issued share capital and subject to the conditions of the Luxembourg Company Law. In case such quorum is not reached, a second meeting may be convened in which no quorum is required, but which must still approve the amendment with two-thirds of the votes validly cast. Abstentions and nil votes will not be taken into account for the calculation of the majority.

Where there is more than one class of Shares and the proposed resolution of the Shareholders’ meeting would change the respective rights of a particular class of Shares, the resolution must also fulfill the conditions as to attendance and majority in the foregoing paragraph for each class of Shares the respective rights of which are modified by such resolution.

On or prior to the consummation of the Business Combination (*i.e.*, including at the EGM now convened), the Articles may not be amended without the approval of both a majority of two thirds of the Public Shares voting separately as a class and the approval of a majority of two thirds of the Founding Shares voting separately as a class.

Issuance of Public Shares and Preemption Rights

The issuance of additional Public Shares will take place either pursuant to a resolution of the general meeting of Shareholders taken in accordance with the Regulation and the Luxembourg Company Law, or to a resolution of the Board of Directors increasing the share capital of the Company within the limits and under the conditions of the authorized share capital. In the resolution, the price and further conditions of issue of such Public Shares will be specified, subject to applicable law and the Articles. In the event of an issue of Public Shares for cash, each Shareholder will have a preemption right in proportion to the aggregate nominal amount of its Public Shares, save as mentioned below.

Preemption rights may at any time be limited or excluded either by a resolution passed by the general meeting of Shareholders or by the Board of Directors in case of a capital increase under the authorized share capital of the Company, or by the Board of Directors if previously authorized by a general meeting of Shareholders adopting such resolution under the conditions for an amendment of the Articles. Shareholders will not have preemption rights in respect of Public Shares being issued to a person exercising an existing right to subscribe for Public Shares.

At the EGM now convened, the Company has presented to the Shareholders the Authorized Capital Proposal which would, if adopted, renew, for a period of five years following the publication of the resolutions of the EGM, the authorization of the Board of Directors of the Company to issue Public Shares, Founding Shares, and Earnout Shares, to grant options to subscribe for Shares, and to issue any other instruments convertible into Shares within the limit of the authorized share capital, to such persons and on such terms as the Board of Directors shall see fit, and specifically to proceed to such issue without reserving for the existing Shareholders a preferential right to subscribe to the Shares issued.

Dividends and Distributions

Dividends and interim dividends may be paid out in accordance with the general provisions of Luxembourg law and the Articles.

In the event that distributions are made after the date of consummation of a Business Combination, (i) each Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€0.01) per Share and (ii) each Public Share shall be entitled to the same fraction of (and the Founding Shares and Earnout Shares shall be entitled to none of) any distribution in excess of one eurocent (€0.01). Dividends that have not been claimed within five years after the date on which they became due and payable revert back to the Company.

In the event of dissolution of the Company, the net liquidation proceeds shall be distributed by the liquidator(s). In the event of dissolution prior to the Business Combination, the Founding Shares are entitled to €0.0152 per Founding Share and the remainder will be distributed pro rata to the Public Shares. After the Business Combination, the Public Shares, Founding Shares and Earnout Shares will have equal rights upon a liquidation of the Company.

Pursuant to the amendments provided in the Articles Proposal, the payment of an extraordinary dividend, defined as a dividend distribution by the Company of an amount that is greater than the profits of the Company realized in the course of the preceding financial year, requires the approval at a Shareholders' meeting of (i) a majority of the outstanding Founding Shares and (ii) a majority of the outstanding Earnout Shares.

Winding-up of the Company

A general meeting of Shareholders may at any time resolve to liquidate the Company according to the following process:

- First, an extraordinary general meeting of Shareholders is convened by the Board of Directors to be held in front of a Luxembourg notary, at which at least half of the share capital must be present or represented. The decision to dissolve the Company and to appoint one or more liquidator(s) is approved if adopted by at least two-thirds of the votes validly cast. In case the quorum is not reached, a second meeting may be convened in which no quorum is required, but which must still approve the resolution with two-thirds of the votes validly cast; abstention and nil votes will not be taken into account for the calculation of the majority. The liquidator(s) will assume control of the affairs of the Company and all powers of the Board of Directors will cease. The duty of the liquidator(s) will be to realize the assets of the Company in order to settle or provision for its outstanding liabilities and distribute the surplus to the Shareholders in accordance with the Articles.
- As soon as the Company's affairs are fully wound up, the liquidator(s) will prepare a report on the liquidation, which will provide details of the conduct of the liquidation and the employment of the corporate assets and call a general meeting at which the report shall be presented and an explanation given of it. Such second general meeting of Shareholders will review the liquidators' report and the accounts and supporting documents, appoint one or more auditor(s) to the liquidation who shall examine such documents and determine the date of a further and final general meeting which, after the auditor(s) has(-ve) issued its/their report, shall in particular decide on the termination of the liquidation.
- Finally, a third general meeting of Shareholders will be held to resolve in particular upon the approval of the reports of the liquidator and the auditor to the liquidation, the place where the corporate books shall be kept for five years and closure of the liquidation proceedings. The notice on the closure of the liquidation (published in the *Mémorial*) also contains information concerning the place where the corporate books are deposited and kept during a period of five years and an indication of the measures taken for the deposit in escrow of the sums and assets due to creditors or to Shareholders which it has not been possible to deliver to them, if any.

Warrants

General

In connection with its IPO, the Company issued 20,000,000 of its Class A Warrants, which are referred to as the Public Warrants, and 10,000,000 of its Class B Warrants, which are referred to as the Founding Warrants (together with the Public Warrants, the "Warrants"), each governed by Luxembourg law. In connection with the Transaction, the holders of the Founding Warrants have agreed to amend the terms and conditions of the Founding Warrants to require their redemption upon consummation of the Transaction and to use the redemption proceeds to subscribe for 1,000,000 new Founding Shares.

The holders of the Public Warrants and Founding Warrants do not have the rights or privileges of holders of Shares (including, without limitation, voting rights or rights to receive dividends or other distributions in respect thereof) until they exercise their Public Warrants or Founding Warrants and receive Public Shares.

Public Warrants

The following description describes both the terms and conditions of the Public Warrants that currently apply and that will apply if the Warrant Amendment Proposal is adopted.

Exercise Price; Exercise Period. Following adoption of the Warrant Amendment Proposal, the holder of a Public Warrant or a holder of a Book-Entry Interest (as defined below) in a Public Warrant will be entitled to receive one Public Share upon surrender of a number of Warrants with a value equal to a stated exercise price of €12.00 per Public Share (an increase from the original exercise price of €9.00 per Public Share), subject to adjustment as discussed below, at any time after the consummation of the Transaction.

Cashless Exercise Only. The Public Warrants may be exercised only on a “cashless basis” (meaning that, upon exercise, the holder of a Public Warrant will not pay the exercise price in cash, but will receive a number of Public Shares based on difference between the market value of a Public Share and the exercise price, calculated in the manner described herein and subject to rounding adjustments). Each exercising holder of Public Warrants must pay the exercise price by surrendering its Public Warrants for that number of Public Shares equal to the quotient obtained by dividing (x) the product of the number of Public Shares underlying the Public Warrants, multiplied by the difference between the “fair market value” (defined below) and the exercise price of the Public Warrants by (y) the fair market value. The “fair market value” shall mean the average closing price of Public Shares as quoted on Xetra® of the Frankfurt Stock Exchange for the 10 Trading Days ending on the third Trading Day prior to the date on which the holder submits its exercise notice. Beginning no later than the date on which the Public Warrants become exercisable, the Company will include on its website the information necessary to calculate the number of Public Shares to be received upon exercise of the Public Warrants, including the “fair market value” in such case. Requiring a cashless exercise in this manner will reduce the number of Public Shares to be issued and thereby lessen the dilutive effect of a Public Warrant redemption. Following adoption of the Warrant Amendment Proposal and consummation of the Transaction, the exercise price will be equal to the quotient obtained by dividing (x) the product of the number of Public Shares underlying the Public Warrants, multiplied by the difference between the “fair market value” (defined below) and the exercise price of the Public Warrants by (y) twice the fair market value. In addition, fair market value will be considered capped at €17.00.

Expiration. The Company will use its reasonable efforts to ensure that there will at all times be sufficient available authorized capital to permit the full conversion of the Public Warrants. As described in “—Shares—General,” the Board of Directors is authorized to issue new Public Shares within the limit of the authorized share capital, to such persons and on such terms as it shall see fit at any time during the five years from the date of publication of the incorporation in the *Mémorial*. Following the approval of the Authorized Capital Proposal and consummation of the Transaction, such authorization will be renewed for a period of five years following the publication of the resolutions of the EGM.

Redemption. Following adoption of the Warrant Amendment Proposal and Consummation of the Transaction once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole but not in part;
- at a price of €0.01 per Public Warrant;
- upon a minimum of 30 days’ prior written notice of redemption; and
- if, and only if, the Daily VWAP equals or exceeds €17.00 per Public Share (the “Trigger Price”) (absent adoption of the Warrant Amendment Proposal, the Trigger Price is €14.00 per Public Share) on any 20 out of the 30 consecutive Trading Days ending three Business Days before the Company sends the notice of redemption.

If the foregoing conditions are satisfied and the Company issues a notice of redemption, each Public Warrant holder may exercise its Public Warrants prior to the scheduled redemption date. The price of Public Shares issued upon such exercise may fall below the €17.00 Trigger Price or even the stated €12.00 Public Warrant exercise price after the redemption notice is issued. A decline in the price of the Public Shares will not result in the redemption notice being withdrawn or give rise to the right to withdraw an exercise notice.

If the Company calls the Public Warrants for redemption, each Public Warrant holder will be entitled to exercise its Public Warrants prior to the date scheduled for redemption.

Antidilution Adjustments. The exercise price, the number of Public Shares issuable on exercise of the Public Warrants and the Trigger Price may be adjusted in certain circumstances including in the event of a Share dividend, or a recapitalization, reorganization, merger or consolidation of the Company. However, the exercise price, the number of Public Shares issuable on exercise of the Public Warrants and the Trigger Price will not be adjusted for issuances of Public Shares at a price below the Public Warrant exercise price.

Securities Law Restrictions. No Public Warrants will be exercisable and the Company will not be obligated to issue Public Shares unless the Public Shares issuable upon such exercise have been registered or qualified or deemed to be exempt from registration or qualification under the securities laws of the jurisdiction of residence of the holders of the Public Warrants. The Company does not intend to take any action to register or qualify the Public Shares issuable upon exercise of the Public Warrants in any jurisdiction. Because the exemptions from registration or qualification in certain jurisdictions for resales of Public Warrants and for issuances of Public Shares by the Company upon exercise of a Public Warrant may be different, a Public Warrant may be held by a holder in a jurisdiction where an exemption is not available for issuance of Public Shares upon an exercise and the holder will be precluded from exercise of the Public Warrant. Under no circumstances will the Company be required to settle any Public Warrant exercise for cash. As a result, the Public Warrants may be deprived of any value, the market for the Public Warrants may be limited and the holders of Public Warrants may not be able to exercise their Public Warrants if the Public Shares issuable upon such exercise are not registered or qualified or exempt from registration or qualification in the jurisdictions in which the holders of the Public Warrants reside. Even if Public Warrant holders are not able to exercise their Public Warrants because the Public Shares issuable upon exercise are not registered or qualified or exempt from registration or qualification in any jurisdiction, the Company can exercise its redemption rights with respect to such Public Warrants.

Fractional Public Shares. No fractional Public Shares will be issued upon exercise of the Public Warrants. If a holder exercises Public Warrants and would be entitled to receive a fractional interest of a Public Share, the Company will round down the number of Public Shares to be issued to the warrant holder to the nearest whole number of Public Shares and the fractional interest shall be forfeited without payment therefor.

Form of Public Warrants. The Public Warrants are issued in bearer form. Holders of Book-Entry Interests in the Public Warrants (as defined under “—Book-Entry”) may exercise their Public Warrants through the relevant participant in Clearstream Frankfurt through which they hold the Book-Entry Interests, following applicable procedures for exercise and payment.

Performance of underlying Public Shares. Information about the performance of the underlying Public Shares can be obtained on the website for the Frankfurt Stock Exchange at www.boerse-frankfurt.de.

Settlement. The Company will issue Public Shares in respect of exercised Public Warrants on each January 31, April 30, July 31 and October 31 (or the next Business Day, if such day is not a Business Day). Upon issuance, the Public Shares will be credited to the accounts specified by the exercising holder. If at any time the number of Public Shares not yet issued in respect of Public Warrants that have been exercised exceeds 500,000 Public Shares, the Company will use its reasonable efforts to issue such Public Shares on an interim settlement date occurring within 45 days of the date on which such threshold is exceeded. In addition, to the extent the Company has treasury Public Shares, it may in its sole discretion deliver treasury Public Shares upon exercise of Public Warrants and settle such exercises on dates other than the settlement dates described above. The Company will take all steps necessary to have the new Public Shares issued upon exercise of the Public Warrants admitted to listing and trading on the Frankfurt Stock Exchange.

Notices. The Company will inform the holders of the Public Warrants of the exercisability dates, the exact expiry date of the Public Warrants and of any call for redemption of the Public Warrants in accordance with applicable Luxembourg law and, as long as the Warrants are listed on the Frankfurt Stock Exchange, in a manner that complies with German law and applicable rules of the Frankfurt Stock Exchange.

Founding Warrants

In connection with its IPO, the Company issued 10,000,000 Founding Warrants to the Founders. In connection with the Transaction, the holders of the Founding Warrants have agreed to amend the terms and conditions of the Founding Warrants to require their redemption upon consummation of the Transaction and to use the redemption proceeds to subscribe for 1,000,000 new Founding Shares.

If the Company does not consummate a Business Combination on or prior to the Business Combination Deadline, the proceeds from the sale of the Founding Warrants will become part of the distribution of the Escrow Account to the Public Shareholders and the Founding Warrants will expire worthless.

The Founding Warrants are in bearer form and are not listed on a stock exchange.

Ownership and Transfer of Public Warrants

Public Warrants held through a depository or sub-depository may be transferred in accordance with customary procedures for the transfer of securities in book-entry form (see “—*Book-Entry*”).

The Company recognizes only one single holder per Warrant. In case one or more Warrants are jointly owned or if the title of ownership to such Warrant(s) is divided, split or disputed, all persons claiming a right to such Warrant(s) have to appoint one single attorney to represent such Warrant(s) towards the Company. The failure to appoint such attorney implies a suspension of all rights attached to such Warrant(s).

Warrant Agent, Paying Agent, Calculation Agent and Listing Agent

Deutsche Bank AG acts as Paying Agent in respect of the Public Shares, as Warrant Agent and Calculation Agent in respect of the Public Warrants and as Listing Agent in respect of the listing of the Public Shares and Public Warrants on the Frankfurt Stock Exchange. The address of the Warrant Agent, Paying Agent, Calculation Agent and Listing Agent is: Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Book-Entry

General

The Public Shares and Public Warrants are represented by bearer certificates in global form deposited with Clearstream Banking AG, Frankfurt am Main (“Clearstream Frankfurt”). Interests in a global security will, so long as the global security is deposited with Clearstream Frankfurt, be transferable only in accordance with the rules and procedures of Clearstream Frankfurt. The following descriptions of the operations and procedures of Clearstream Frankfurt are provided solely as a matter of convenience. These operations and procedures are solely within the control of Clearstream Frankfurt and are subject to change. The Company takes no responsibility for these operations and procedures and advises investors to contact their bank or broker to discuss these matters.

Ownership of interests in the Public Shares and Public Warrants included in the book-entry custody and settlement system operated by Clearstream Frankfurt (the “Book-Entry Interests”) are limited to persons that hold interests through participants of Clearstream Frankfurt (the “Admitted Institutions”). Investors in such Public Shares and Public Warrants hold interests in these securities through their accounts with Admitted Institutions. Book-Entry Interests are shown on, and transfers thereof are made only through, records maintained in book-entry form by Clearstream Frankfurt and the Admitted Institutions. The laws of some jurisdictions, including certain U.S. states, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. These limitations may impair the ability to own, transfer or pledge Book-Entry Interests. The Company does not accept any responsibility or liability for any aspect of the records relating to the Book-Entry Interests.

Transfers of Book-Entry Interests between investors holding securities accounts with Admitted Institutions or their participants are effected in accordance with the rules and procedures of Clearstream Frankfurt and any applicable clearing rules and are settled in immediately available funds. Transfers of Book-Entry Interests in the securities will in some circumstances be subject to the restrictions and certification requirements discussed in the Company’s prospectus dated January 11, 2010 related to its IPO, under the title “*U.S. Transfer Restrictions*.”

Redemption or Conversion of the Securities

In the event any of the Public Shares and Public Warrants is redeemed, Clearstream Frankfurt will decrease the amount of the Book-Entry Interests in such security. The amount paid out in connection with the redemption of such security will be distributed among the investors through the Admitted Institutions.

Action by Owners of Book-Entry Interests

Clearstream Frankfurt has advised the Company that it will take any action permitted to be taken by a holder of Book-Entry Interests only at the direction of one or more participants to whose accounts the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of the securities as to which such participant or participants has or have given such direction within the framework of the relation between Clearstream and its participant(s) solely. Clearstream Frankfurt will not exercise any discretion in the

granting of consents, waivers or the taking of any other action in respect of the securities. In the case of the Public Shares, voting rights and rights to attend general meetings of Shareholders can be exercised only on the basis of instructions provided by the holders of Book-Entry Interests in respect of such Public Shares. Such holders must comply with applicable Clearstream Frankfurt rules and procedures.

Withdrawal from the Book-Entry System

An investor that holds Book-Entry Interests in the Public Shares or Public Warrants may not withdraw the number of Public Shares or Public Warrants which corresponds with its Book-Entry Interests from the book-entry system operated by Clearstream Frankfurt following usual rules and procedures, unless and until such time as the Company determines otherwise. Public Shares or Public Warrants which are withdrawn from the book-entry system, if the Company so permits, will be registered in the Company's Shareholder register or Warrant register, as applicable, in the name of the investor. After withdrawal of Public Shares or Public Warrants, the Company may in its discretion issue certificates for the Public Shares or Public Warrants registered in the name of an investor.

Settlement under the Book-Entry System

The Public Shares and Public Warrants, and the Public Shares into which the Founding Shares and Earnout Shares are convertible and for which the Public Warrants are exercised, are or are expected to be admitted for listing and trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange. The Public Shares currently outstanding have been admitted on the sub-segment thereof with additional post-admission obligations (Prime Standard) and the Public Warrants currently outstanding have been admitted to the General Standard sub-segment. Any permitted secondary market trading activity in such securities is required by Clearstream Frankfurt to be settled in immediately available funds. The Company is not responsible for the performance by Clearstream Frankfurt, the Admitted Institutions, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Payments on the Securities and Currency of Payment for the Shares and Public Warrants

The Company will declare any payment in respect of its Shares and Public Warrants (including dividends) in euros. All payments by the Company will be made through the Paying Agent, Deutsche Bank AG, to the Admitted Institutions, which will, in turn, distribute such amounts to their participants in accordance with their customary procedures. The Company will pay all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law. If any such deduction or withholding is required to be made, then the relevant payment will be made subject to such withholding or deduction. The Company will not pay any additional or further amounts in respect of amounts subject to such deduction or withholding. The Company expects that standing customer instructions and customary practices will govern payments by Admitted Institutions to holders of Book-Entry Interests held through such Admitted Institutions.

Luxembourg Mandatory Takeover Bids and Squeeze-out/Sell-out Rules

General

The Luxembourg law on public takeovers dated May 19, 2006 (the "Public Takeover Law") applies to the securities of a Luxembourg company such as the Company, where all or some of those securities are admitted to trading on a regulated market in one or more Member States of the European Union or the European Economic Area. The term "securities" applies to the Public Shares.

As far as the competent authority is concerned, the Public Takeover Law states that if the target company's securities are not admitted to trading on a regulated market in the Member State in which the company has its registered office, the competent authority to supervise the bid shall be the authority of the Member State on the regulated market of which the company's securities are admitted to trading, *i.e.*, if the Company is the target, the Federal Financial Supervisory Authority of Germany, or BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

Matters relating to the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the bidder's decision to make a bid, the content of the offer document and the disclosure of the bid shall be governed by the law of the Member State on the regulated market of which the company's securities are admitted to trading, *i.e.*, if the Company is the target, the German Securities Acquisitions and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

In matters relating to the information to be provided to the employees of the target company and in matters relating to company law, in particular the percentage of voting rights which confers control (in Luxembourg the threshold is fixed at 33⅓% of the voting rights) and any derogation from the obligation to launch a bid, as well as the conditions under which the board of the target company may undertake any action which might result in the frustration of the bid, the applicable rules and the competent authority shall be those of the Member State where the target company has its registered office, *i.e.* if the Company is the target, the Luxembourg rules and the *Commission de Surveillance du Secteur Financier*, or “CSSF”.

No general principle of squeeze-out is provided for by Luxembourg law. However, under the Public Takeover Law if any natural or legal person holds a total of at least 95% of a company’s share capital carrying voting rights and 95% of such company’s voting rights as a result of a public bid regarding the shares of a target company in the course of which the bidder acquires control of the company, such person may acquire the remaining shares in the target company by exercising a squeeze-out against the holders of the remaining shares. The price shall take the same form as the consideration offered in the bid or shall be in cash. Cash shall be offered at least as an alternative. Following a voluntary bid, the consideration offered in the bid shall be presumed to be fair where, through acceptance of the bid, the bidder has acquired securities representing not less than 90% of the capital carrying voting rights comprised in the bid. Following a mandatory bid, the consideration offered in the bid is presumed to be fair. The CSSF ensures that a fair price is guaranteed. The squeeze-out must be exercised by the bidder no later than three months after the end of the period of acceptance of the bid.

According to the Public Takeover Law, if any natural or legal person, alone or together with persons acting in concert with it, hold(s) a total of at least 90% of a company’s share capital carrying voting rights and 90% of such company’s voting rights as a result of a public bid regarding the shares of a target company, any Shareholder may exercise a sell-out with respect to his shares. Such right must be exercised no later than three months after the end of the period of acceptance of the bid. The price shall be determined in the same manner as the one described above in respect of the squeeze-out procedure.

Exemption Request

The Company, the Wendel Shareholder and the Sellers are expecting that the CSSF will grant an exemption from any obligation to launch a mandatory takeover bid for the outstanding Public Shares that may result from (i) the exercise by the Wendel Shareholder of the Founders’ Purchase Option; or (ii) the entry by the Wendel Shareholder and the Sellers into a shareholders agreement in connection with the consummation of the Transaction. Initial discussions to that effect have taken place with the CSSF. The Company, the Wendel Shareholder and the Sellers intend to file a formal exemption request upon the occurrence of any event as set out in this proxy statement which would trigger the obligation upon the Wendel Shareholder, a Founder and/or a Seller to launch a mandatory takeover bid for the outstanding Public Shares.

Exchange Controls

There are currently no limitations under the laws of Luxembourg on the rights of non-residents to hold or vote the Public Shares. Cash distributions, if any, payable in euro or U.S. dollars on the Public Shares may, in principle, be transferred from Luxembourg and converted into any other currency without Luxembourg legal restrictions. However, no payments, including dividend payments, may be made to jurisdictions subject to certain sanctions, adopted by the government of Luxembourg, implementing resolutions of the Security Council of the United Nations or regulations of the European Union.

Notification of the Acquisition or Disposal of Major Holdings

Where a Shareholder acquires or disposes of Public Shares, such Shareholder notifies the Company in accordance with the Luxembourg law of January 11, 2008 on transparency requirements for issuers of securities of the proportion of voting rights he holds in the Company as a result of the acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% and 66⅔%. In addition, the Articles require each Shareholder that alone or together with any of its affiliates (defined as an entity controlling, controlled by or under common control with another entity) or any persons with which it is acting as a group exceeds the ownership threshold of 2% of the Public Shares at any time or any multiple thereof to notify the Company within four Business Days of acquiring such Shares (such requirement, the “2% notification requirement”). For purposes of the Articles, “acting as a group” shall mean Shareholders if they cooperate on the basis of an agreement either express or tacit, either written or oral, for the purpose of acquiring, holding, voting or disposing of Public Shares. In case such Shareholder does not provide the notice in time, the voting rights attaching to the fraction of Shares exceeding the relevant threshold are suspended until such notification is made.

The voting rights shall be calculated on the basis of all the Public Shares to which voting rights are attached even if the exercise thereof is suspended.

For so long as the Public Shares or Public Warrants are listed on the Frankfurt Stock Exchange, the Company will become subject to certain provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*), which governs disclosure to shareholders and reporting duties. If the Company receives a Shareholder ownership notification pursuant to the Luxembourg rules on shareholding disclosure obligations described above, the Company must publish such notification without undue delay at the latest within three Trading Days from receipt of the notification, in accordance with sections 19 *et seq.* of the German Securities Trading Reporting and Insider List Ordinance (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*), notify such publication to the BaFin, and submit it to the German Company Register (*Unternehmensregister*) for storage without undue delay, but not prior to the publication. The same applies if the Company, or a third party on its account, reaches, exceeds or falls below the thresholds of 5% or 10% of the Company's own Shares; publication in this case must occur at the latest within four Trading Days after reaching, exceeding or falling below the named thresholds. The Company must furthermore, at the end of each calendar month during which the total number of voting rights has changed, publish the total number of voting rights, notify the BaFin of such publication and transmit this information to the German Company Register without undue delay, but not prior to the publication.

Market Abuse Regime

Certain important market abuse rules set out in the Luxembourg Market Abuse Law and the German Securities Trading Act are described hereunder. These rules are applicable to the Company, the Directors, the Executives (as defined below), other insiders and persons performing or conducting transactions in the Company's securities.

The Company must make public any price-sensitive information (insider information) for as long as the Shares remain listed on the Frankfurt Stock Exchange. Price-sensitive information is information that is concrete and that directly or indirectly concerns the Company or the trading in the Public Shares, the Public Warrants or other derivative securities which pertain to the Company which information has not been publicly disclosed and whose public disclosure might significantly affect the price of the Public Shares, the Public Warrants or such other derivative securities. The Company must also provide the Frankfurt Stock Exchange, the CSSF and the BaFin with this information prior to its publication and submit it to the Officially Appointed Mechanism ("OAM") in Luxembourg and the German Company Register for storage without undue delay, but not prior to the publication. Further, the Company must publish such information without undue delay in accordance with the German Securities Trading Reporting and Insider List Ordinance.

It is prohibited for any person to make use of price-sensitive information by conducting or effecting a transaction in the Company's securities. In addition, it is prohibited for any person to pass on price-sensitive information to a third party or to recommend or induce, on the basis of price-sensitive information, any person to conduct a transaction.

Furthermore, the German Securities Trading Act and the Luxembourg Market Abuse Law require that persons having an executive position in a listed company ("Executives") notify their own transactions in Shares of the Company or related financial instruments, in particular, derivatives, to the company and to the BaFin and the CSSF respectively within five working days. This applies also to persons closely related to Executives. Immediately upon receipt, the Company is obligated to publish such notification and to notify the CSSF and the BaFin of the publication and, after publication, to submit it to the German Company Register. Executives are members of a management, administrative or supervisory body of the company as well as such other persons who regularly have access to insider information within the meaning of the German Securities Trading Act and are authorized to make material business decisions. The following persons are deemed to be closely related to an Executive: spouses, registered partners, dependent children and other relatives who, at the time when the transaction must be notified, have been living for at least one year in the same household as the Executive. Legal entities in which the above persons perform management duties are also subject to the notification requirement. This regulation also encompasses such legal persons, companies and institutions which are directly or indirectly controlled by an Executive or a person closely related to such Executive that were formed for the benefit of such person or whose economic interests largely correspond to those of such person.

A fine may be imposed for failure to comply with the reporting obligation.

PRICE RANGE OF SECURITIES AND DIVIDENDS

The Company

The Company's Public Shares and Public Warrants are currently listed on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under the symbols HIT and HIT1, respectively. The Public Shares and Public Warrants commenced public trading on February 4, 2010.

The table below sets forth the high and low bid prices of the Company's Public Shares and Public Warrants as reported on the Frankfurt Stock Exchange for the period February 4, 2010 to March 31, 2010, and for the fiscal quarters ended June 30, 2010, September 30, 2010, December 31, 2010, and March 31, 2011.

	Public Shares		Public Warrants	
	High	Low	High	Low
2010				
First Quarter (from February 4, 2010)	€9.49	€9.20	€1.10	€0.30
Second Quarter	€9.76	€9.30	€1.06	€0.65
Third Quarter	€9.70	€9.32	€0.83	€0.52
Fourth Quarter	€9.92	€9.40	€0.90	€0.65
2011				
First Quarter	€9.80	€9.60	€0.85	€0.47

On June 6, 2011, the Business Day before the public announcement of the execution of the Share Purchase Agreement, the Company's Public Shares and Public Warrants closed at €9.75 and €0.85, respectively. Information on the price of the Public Shares and the Public Warrants can also be obtained from the website of the Frankfurt Stock Exchange, www.deutsche-boerse.com.

Dividend Policy

The Company has not paid any dividends on the Public Shares to date and will not pay cash dividends prior to the consummation of a Business Combination.

Dividend Policy Upon Completion of the Transaction

After the consummation of the Transaction, the payment of dividends will depend on the revenues and earnings of the Company, if any, its capital requirements and its general financial condition and whether the Company will be solvent immediately after payment of the dividend. The payment of dividends after a Business Combination will be subject to the availability of distributable profits, premium or reserves, and will be subject to the approval of the general meeting of Shareholders in accordance with applicable Luxembourg law. In the event that distributions are made after the date of consummation of the Business Combination, (i) each Founding Share, Earnout Share and Public Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€ 0.01) per Share, and (ii) each Public Share shall be entitled to the same fraction of (and the Founding Shares shall be entitled to none of) any distribution in excess of one eurocent (€0.01).

Pursuant to the changes to the Articles set forth in the Articles Proposal, the payment of an extraordinary dividend (defined as a dividend distribution by the Company that is greater than the profits of the Company realized in the course of the preceding financial year) will be subject to the approval of the holders of a majority of each of the Founding Shares, the Earnout Shares and the Public Shares.

ADDITIONAL INFORMATION

Presentation of Financial and Other Information and Certain Definitions

Third-Party Information

The information provided in this proxy statement on the market environment, market developments, growth rates, market trends and on the competitive situation in the markets and segments in which the Exceet Group operates is based (to the extent not otherwise indicated) on third-party data, statistical information and reports as well as on estimates of Exceet Group AG. The sources cited include:

- Billentis, E-Invoicing / E-Billing, International Market Overview & Forecast, February 2011 (“Billentis, eInvoicing”);
- Deutsche Bank AG, research report: European medical devices - hearing the upsides, January 20, 2011 (“Deutsche Bank Research, hearing devices market”);
- Deutsche Bank AG, research report: Jungheinrich—a strong player in a recovering market, February 7, 2011 (“Deutsche Bank Research, material handling equipment market”);
- Deutscher Industrieverband der Hightech-Industrie (SPECTARIS), Branchenbericht 2010, September 2010 (“SPECTARIS”);
- Eurosmart, presentation on the world card summit in Cartes, December 7, 2010 (“Eurosmart, world card summit presentation”);
- Eurosmart, press release of December 7, 2010;
- Frontier Economics Ltd, Estimating the global economic and social impacts of counterfeiting and piracy, February 2011 (“Frontier Economics, counterfeiting and piracy”);
- Frost & Sullivan, InvestFrost Aerospace Defense—Global Commercial Aviation Electrical Power Systems and Infrastructure Market Outlook, February 2009 (“F&S, aviation”);
- Frost & Sullivan, World Power Distribution Market, 2008 (“F&S, power distribution market”);
- Frost & Sullivan, Europe, Middle East and Africa (EMEA) Biometrics Market, July 2010 (“F&S, EMEA biometrics market”);
- Frost & Sullivan, Quantitative Analysis of World Smart Card Markets, October 2010 (“F&S, world smart card markets”);
- Gartner, Good Authentication Choices for Workforce Local Access, February 16, 2011 (“Gartner, authentication”);
- International Data Corporation (IDC), Market Analysis—Worldwide Identity and Access Management 2010-2014, Forecast Update: Identity Moves to the Cloud, September 2010 (“IDC, IAM market”);
- MarketsandMarkets, Global Top Ten Medical Devices Market, September 2009 (“MarketsandMarkets”);
- National Information and Communications Technology Australia (NICTA), Embedded Systems Vision, August 2010 (“NICTA, embedded systems”);
- Organisation for Economic Co-operation and Development (OECD), The Economic Impact of Counterfeiting and Piracy, 2008 (“OECD”);
- Zpryme Research and Consulting, Smart Grid: Hardware & Software Outlook, December 2009 (“Zpryme, smart grid”); and
- German Electrical and Electronic Manufacturers’ Association (ZVEI), Nationale Roadmap—Embedded Systems, December 2009 (“ZVEI, roadmap embedded systems”).

In addition to the sources listed above, the Company has also considered data from a market study prepared at the Company’s request as part of its due diligence investigation of Exceet Group AG.

The Company has accurately reproduced such third-party information and, as far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted, which would render the reproduced information inaccurate or misleading. Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward looking and speculative. The proxy statement also contains estimates made by Exceet Group AG based on third-party market data, which in turn is based on published market data or figures from publicly available sources.

The Company has not verified the figures, market data or other information on which third parties have based their studies nor has it verified the external sources on which Exceet Group AG's estimates are based. The Company therefore does not guarantee nor assume responsibility for the accuracy of the information from third-party studies presented in this proxy statement or for the accuracy of the information on which Exceet Group AG's estimates are based.

This proxy statement also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is based on Exceet Group AG's own internal estimates. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organizations and institutions. The Company believes that Exceet Group AG's estimates of market data and information derived therefrom are helpful in order to give the Company's Shareholders a better understanding of the industry in which the Exceet Group operates as well as the Exceet Group's position within this industry. Although the Company believes that Exceet Group AG's internal market observations are reliable, such estimates are not reviewed or verified by any external sources. The Company assumes no responsibility for the accuracy of Exceet Group AG's own estimates and the information derived therefrom. These may deviate from estimates made by competitors of the Exceet Group or future statistics by market research institutes or other independent sources.

Convenience Translation

Solely for convenience purposes, this proxy statement includes translations of certain CHF amounts into euros. No representation is made that the CHF amounts could actually be converted into euros at the rate indicated, or at all. Unless otherwise indicated, the translations of CHF into euros were made at the rates indicated in the table below.

Figures with respect to:	Based on	euro per one CHF
Exceet Group AG—comprehensive income for the year 2010	2010 average exchange rate	€0.7244
Exceet Group AG—comprehensive income for the first financial quarter of 2011	January 1, 2011—March 31, 2011 average exchange rate	€0.7776
Exceet Group AG—balance sheet as of March 31, 2011	Exchange rate on March 31, 2011	€0.7697

Certain Definitions

Unless otherwise indicated, all references in this document to:

- “Company” are to Helikos SE;
- “Group” are to Helikos SE and its consolidated subsidiaries, taken as a whole;
- “Ventizz” are to Ventizz Capital Fund III Holding Company LLC, a Delaware limited liability company;
- “Sellers” are to Ventizz, Ulrich Reutner, Jan Trommershausen and Robert Wolny;
- “Wendel Shareholder” are to Oranje Nassau Participaties B.V.;
- “Transaction” are to the transactions contemplated by the Share Purchase Agreement;
- “Share Purchase Agreement” are to the share purchase agreement dated June 7, 2011 by and among the Company, the Sellers, Helikos AG, and Exceet Group AG, a Swiss stock corporation;
- “Consummation” are to the closing of the Transaction;
- “Shareholders Agreement” are to the shareholders agreement dated June 7, 2011 between the Founders and the Sellers;
- “Public Shares” are to the Class A redeemable shares of the Company;
- “Public Warrants” are to the Class A warrants of the Company;
- “Earnout Shares” are to the Class C1, C2 and C3 redeemable shares of the Company;
- “Founding Shares” are to the Class B1, B2 and B3 (and following the Consummation, Class B4) redeemable shares of the Company;
- “Founding Warrants” are to the Class B warrants of the Company issued to the Founders;
- “Public Shareholders” are to the holders of the Public Shares;

- “Founders” are to Oranje-Nassau Participaties B.V., Prof. Hermann Simon and Mr. Roland Lienau;
- “Shareholders” are to the holders of the Company’s shares, including the Public Shareholders and the Founders;
- “Warrants” are to the Public Warrants and the Founding Warrants;
- “Shares” are to the shares of the Company, including the Founding Shares and the Public Shares, and following the Consummation, the Earnout Shares;
- “80% Threshold” are to a fair market value equal to at least 80% of the amount in the Escrow Account (less deferred underwriting compensation) on the date the Board of Directors resolves to submit a proposed Business Combination to the general meeting of Shareholders for approval;
- “\$” or “U.S. Dollars” are to the lawful currency of the United States of America;
- “euro” or “€” are to the lawful currency of those countries that have adopted the euro as their currency in accordance with the legislation of the European Union relating to the European Monetary Union;
- “Articles of Association” or “Articles” are to the Company’s amended and restated articles of association;
- “Board” or “Board of Directors” are to the board of directors of Helikos SE;
- “Directors” are to the directors serving on the Board of Directors;
- “Chairman” are to the chairman of the Board of Directors;
- “Escrow Account” are to the escrow account established by Helikos KG at Deutsche Bank AG, London Branch;
- “Luxembourg Company Law” are to the Luxembourg law of August 10, 1915 on commercial companies, as amended;
- “Managers” are to Deutsche Bank AG, HSBC Trinkaus & Burkhardt AG and I-Bankers Securities, Inc.;
- “Business Day” are to any day on which banks in Frankfurt and Luxembourg are open for general business; and
- “Trading Day” are to any day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business.

The financial information of the Company is presented in euros, and the Company’s financial information is prepared in accordance with IFRS, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board. The Company has a fiscal year end of December 31. Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Auditors of the Company and the Exceet Group

Ernst & Young SA, independent auditor and member of the *Institut des Réviseurs d’Entreprises* (Luxembourg) and registered with the CSSF in accordance with the law of December 18, 2009 relating to the audit profession, has audited the consolidated financial statements of the Company for the period from October 9, 2009 to December 31, 2009 and for the financial year ended December 31, 2010, as well as the pro forma financial information of the Company as of and for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, all included in this proxy statement, as stated in their reports appearing herein.

PricewaterhouseCoopers AG, independent auditor and member of the Swiss Institute of Certified Accountants and Tax Consultants (*Treuhand-Kammer*), has audited the consolidated financial statements of Exceet Group AG as of and for the financial years ended December 31, 2010, 2009 and 2008, and the pro forma financial information of Exceet Group AG for the financial year ended December 31, 2010 and as of and for the three months ended March 31, 2011, all included in this proxy statement, as stated in their reports appearing herein.

Available Information

General

As a company listed on the regulated market (*Regulierter Markt*) and the sub-segment thereof with additional post admission obligations (Prime Standard) of the Frankfurt Stock Exchange, in the case of the Public Shares, and on the regulated market (General Standard) of the Frankfurt Stock Exchange, in the case of the Public Warrants, the Company is required to publish its annual accounts as well as semi-annual and quarterly reports within four months and 60 days, respectively, of the end of the period to which such report relates. Furthermore, as a listed company the Company is also required to file with the CSSF annually a document including or referring to the information the Company publicly disclosed in the 12 months preceding the publication of its annual report under applicable laws and regulations, subject to any exemptions which may apply.

The CSSF reviews the reports the Company files with them. The Company's financial reporting required by German law is subject to supervision by the BaFin. The BaFin may issue orders to ensure compliance with the reporting obligations under the German Securities Trading Act and impose administrative fines in case of non-compliance. The Company's annual and half-year financial statements also may be reviewed by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*) for their compliance with applicable laws and reporting standards.

The Company is also subject to ad-hoc disclosure obligations under the German Securities Trading Act and applicable Luxembourg law.

Under the rules of the Frankfurt Stock Exchange, the Company is also required to prepare and continuously update a financial calendar, which must include details concerning significant corporate events, including the annual general meeting, press conferences and analysts' meetings. The financial calendar is published on the Company's website and will also be made available to the public by the management board of the Frankfurt Stock Exchange.

Availability of Information

The Company makes available free of charge through its website, accessible at www.helikosgroup.com, certain of the Company's reports and other information in German and English. Unless otherwise specifically stated herein, material contained on or accessible through the Company's website is not incorporated into this proxy statement.

For so long as Public Shares and Public Warrants are listed for trading on the Frankfurt Stock Exchange, the following documents (or copies thereof), where applicable, may be obtained free of charge by sending a request in writing to the Company at 115, avenue Gaston Diderich, L-1420 Luxembourg: the terms and conditions of the Public Warrants, the Company's financial statements, the Escrow Agreement and the Articles.

For so long as any Public Shares or Public Warrants are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act), the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, provide to holders of the Public Shares or Public Warrants, any owner of any beneficial interest in the Public Shares or Public Warrants or to any prospective purchaser designated by such a holder or beneficial owner, upon the written request of such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

The Company will provide to any holder of any Public Shares or Public Warrants, upon the written request of such holder, information concerning the amount of interest per Public Share accrued on the funds placed in the Escrow Account.

Information and statements contained in this proxy statement, or any annex to this proxy statement, are qualified in all respects by reference to the copy of the relevant contract or other annex filed with this proxy statement.

If you have questions about the Transaction, you should contact:

Helikos SE
Attn: Roland Lienau
Albrecht von Alvensleben
Email: info@helikosgroup.com

Incorporation by Reference

The Company incorporates by reference into this proxy statement its audited financial statements for the period from October 9, 2009 through December 31, 2009 and the financial year ended December 31, 2010 and its interim consolidated financial statements for the three months ended March 31, 2010 and 2011. These financial statements are published on the Company's website at www.helikosgroup.com.

Enforceability of Civil Liabilities under U.S. Federal Securities Laws and Other Matters

Each of the Company and Exceet Group AG is incorporated outside the United States, and holds substantially all of its assets outside the United States. The Escrow Account is also located outside the United States. In addition, all of the current Directors of the Company and each of the Directors proposed for election are nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon the Company or its Directors, or enforce judgments obtained in the United States against the Company or its Directors. The rights of the Company's Shareholders and the fiduciary responsibilities of the Company's Directors under Luxembourg law may not be the same as they would be under statutes or judicial precedent in some jurisdictions in the United States. In addition, shareholders of Luxembourg companies may not have standing to initiate a shareholder derivative action in a court in Luxembourg or in a federal court of the United States or elsewhere.

Notice to U.S. Investors

The Company's Public Shares and Public Warrants have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the applicable securities laws of any state of the United States of America. The Public Shares and Public Warrants may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

To ensure that the Company will not be required to register under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), the Company at the time of its IPO and since the IPO has relied upon the exemption provided by Section 3(c)(7) under the Investment Company Act. The Company will no longer rely on this exemption now that it has announced the execution of the Share Purchase Agreement.

Warrant holders in the United States must certify in the forms used to vote on the Warrant Amendment Proposal that they understand that the Public Warrants have not been registered under the Securities Act and may not be resold in the United States absent registration under the Securities Act or an available exemption thereunder. They must also agree, and each subsequent transferee in the United States will be deemed to agree, that they will not offer, resell, pledge or otherwise transfer the Public Warrants (or the Public Shares delivered upon exercise of the Public Warrants) or any beneficial interest therein except outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act. For the avoidance of doubt, a sale of the Class A Shares or Class A Warrants on the Frankfurt Stock Exchange will be free of restriction and satisfy these obligations, so long as the transaction is not pre-arranged with a buyer in the United States and is otherwise conducted in accordance with Rule 904. Rule 144 will not be available for transfers of the Class A Shares or Class A Warrants. Holders of Public Warrants in the United States will agree to notify any broker they use to execute any resale of the Class A Shares or Class A Warrants of these restrictions.

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Helikos SE

**Unaudited pro forma condensed combined
financial statements
for the year ended December 31, 2010
and the three months ended
March 31, 2011**

HELIKOS SE

UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Basis of Preparation

On June 7, 2011, Helikos SE (Helikos) and the Sellers entered into a Share Purchase Agreement relating to the proposed acquisition of Exceet Group AG. If this acquisition is consummated, Helikos will deliver at closing cash and shares as set out in point 4 within this pro forma section.

The unaudited pro forma condensed combined financial information of Helikos (the “Pro Forma Financial Information”) reflects a hypothetical transaction which is subject to approval by the shareholders.

The unaudited Pro Forma Financial Information combines the historical unaudited consolidated financial statements of Helikos and the unaudited pro forma combined financial information of Exceet, giving effect to the acquisition of Exceet Group AG as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statement and as if it had occurred on March 31, 2011 for the purpose of the pro forma combined balance sheet.

The following unaudited Pro Forma Financial Information for Helikos was prepared based on the requirements in Appendix I No. 20.2 in connection with Appendix II of the regulation (EC) No. 809/2004 of the European Commission under application of IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004).

The unaudited Pro Forma Financial Information includes a pro forma combined balance sheet as of March 31, 2011, a pro forma combined income statement for the financial year ended December 31, 2010, a pro forma combined income statement for the three months ended March 31, 2011 and explanatory notes.

The unaudited Pro Forma Financial Information has been compiled from the following sources:

- the audited consolidated financial statements as of and for the financial year ended December 31, 2010 and the unaudited interim consolidated financial statements as of March 31, 2011 and for the three months then ended of Helikos SE,
- the unaudited Pro Forma Financial Information of Exceet as of and for the financial year ended December 31, 2010 and as of and for the three months ended as of March 31, 2011 of Exceet Group AG.

The unaudited Pro Forma Financial Information gives effect to the acquisition of Winter AG, which was completed on December 29, 2010 as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statement for the financial year ended December 31, 2010. It gives effect to the acquisition of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. (“Contec GmbH”), which was completed on May 4, 2011, as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statements and as if it had been completed on March 31, 2011 for the purpose of the pro forma combined balance sheet.

The unaudited Pro Forma Financial Information of Exceet Group AG has been compiled from the following sources:

- the audited consolidated financial statements as of and for the financial year ended December 31, 2010 and the unaudited consolidated interim financial statements as of March 31, 2011 and for the three months then ended of Exceet Group AG prepared in accordance with IFRS,
- the audited financial statements as of and for the financial year ended December 31, 2010 of Winter AG in accordance with German generally accepted accounting principles (“GAAP”). In the Pro Forma Financial Information of Exceet the income statement of Winter AG for the year ended December 31, 2010 is derived from these audited financial statements and is adjusted to comply with Exceet Group AG’s reporting format and with IFRS as applied by Exceet Group AG in all material respects, and
- the audited financial statements of Contec GmbH prepared in accordance with Austrian GAAP as of January 31, 2011 and for the twelve months then ended and the unaudited interim financial statements of Contec GmbH for the three months ended March 31, 2011 prepared in accordance with Austrian GAAP. In the Pro Forma Financial Information of Exceet the income statements for the year ended December 31, 2010 and for the three months ended March 31, 2011, each of Contec GmbH, as well as the balance sheet as of March 31, 2011 of Contec GmbH, were derived from those financial statements of Contec GmbH and were adjusted to comply with Exceet Group AG’s reporting format, reporting period and with IFRS as applied by Exceet Group AG in all material respects.

The financial information of Helikos and Exceet Group AG have been adjusted to give effect to pro forma events that are directly attributable to the transaction, are factually supportable and do not apply to future events.

HELIKOS SE

UNAUDITED PRO FORMA FINANCIAL INFORMATION—Continued

The unaudited Pro Forma Financial Information include estimates and assumptions to determine the purchase price consideration available at this time. These estimates and assumptions may differ from the estimates and actual figures in the final accounting for the acquisition as additional information becomes available, and such differences may be material. For the calculation of the equity consideration a trading price of € 10.06 for Helikos' shares is assumed, which is the per Public Share value of the Escrow Account. € 10.06 is the per share amount that redeeming shareholders will receive, which management believes is a fair estimate of the minimum share price at which the transaction is likely to be approved.

The acquisition will be accounted for using the acquisition method as stated in IFRS 3 (rev. 2008) as if the acquisition of Exceet by Helikos had been completed on January 1, 2010 for purposes of the pro forma combined income statements and as if the acquisition had been completed on March 31, 2011 for purposes of the pro forma combined balance sheet. The unaudited Pro Forma Financial Information include estimates to adjust assets and liabilities of Exceet to their respective fair values based upon preliminary information available at this time. These estimates may differ from the estimates in the final accounting for the acquisition as additional information becomes available, and such differences may be material. The purchase price allocation is among other things subject to changes in the value of the purchase price consideration. The allocation of the purchase consideration for Exceet as reflected in the unaudited Pro Forma Financial Information has been derived from the Share Purchase Agreement on a provisional basis.

The unaudited pro forma combined income statements do not include adjustments for any revenue or cost saving synergies that may be achievable subsequent to the completion of the acquisition.

The unaudited pro forma combined balance sheet as at March 31, 2011, the unaudited pro forma combined income statement for the year ended December 31, 2010 and the unaudited pro forma combined income statement for the three months ended March 31, 2011 have been prepared using two different levels of approval of the transaction by the Helikos stockholders:

- Assuming no exercise of redemption rights: This presentation assumes that none of the Helikos stockholders exercise their redemption rights; and
- Assuming maximum exercise of redemption rights: This presentation assumes that 35% minus 1 share of the Helikos public shareholders request redemption.

Under Helikos' articles of association, the acquisition may not proceed if 35% of the public shareholders (excluding any public shares as for which the founders exercise the purchase option in the articles) validly request redemption.

The Share Purchase Agreement further conditions the consummation of the acquisition on the making of a minimum capital contribution of € 15 million to Exceet Group AG. Under the terms of the Share Purchase Agreement, if 35% of the Public Shares less one Public Share are tendered for redemption, the €15 million minimum capital contribution will be met only if the Founders' Purchase Option is exercised in the amount of €19.09 million to reduce the redemptions net of such option exercise to €51.3 million. The Unaudited Pro Forma Financial Information assumes the Founders' Purchase Option is exercised for that amount. The holder of the Founders' Purchase Option is not obliged to exercise the option and accordingly the actual exercise may differ from the assumed amounts.

Helikos is providing this information to aid you as shareholders of Helikos in your analysis of the financial aspects of the acquisition. The unaudited Pro Forma Financial Information should be read in conjunction with the historical financial statement of Helikos and the pro forma combined financial statement of Exceet Group AG and the related notes thereto included elsewhere in this proxy statement. The unaudited Pro Forma Financial Information are provided for illustrative purposes only and does not purport to present what the actual results of operations or financial position of the combined companies would have been had the transactions actually occurred on the dates indicated, nor do they purport to represent results of operations for any future period or financial position for any future date.

Functional currency is the currency of the primary economic environment in which the entity operates. The euro is the functional currency for Helikos and the Swiss franc is the functional currency for the Exceet Group.

The presentation currency is the currency in which the unaudited pro forma condensed combined financial statements are presented. The presentation currency is euro.

HELIKOS SE

Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2011

(in € thousands)	Helikos SE as of March 31, 2011 (unaudited)	Pro Forma Information Exceet Group AG as of March 31, 2011 (unaudited)	Total	Note	Pro Forma Adjustments (Assuming No Exercise of Redemption Rights) (audited)	Pro Forma (Assuming No Exercise of Redemption Rights) (unaudited)	Note	Pro Forma Adjustments (Assuming Maximum Exercise of Redemption Rights) (audited)	Pro Forma (Assuming Maximum Exercise of Redemption Rights) (unaudited)
ASSETS									
Tangible assets	0	26,202	26,202	(k)	1,584	27,786			27,786
Intangible assets	0	49,880	49,880		97,488	147,368			147,368
				(j)	146,275				
				(m)	(48,787)				
Goodwill	0	0	0	(o)	28,346	28,346			28,346
Other non-current receivables	0	387	387		0	387			387
				(c)	85,000				
				(e)	(11,110)				
				(g)	(12,500)				
				(i)	(1,500)				
				(p)	(59,890)				
Total non-current assets	0	76,469	76,469		127,418	203,887		0	203,887
Inventories	0	31,231	31,231	(l)	9,800	41,031			41,031
Trade receivables, net	0	19,991	19,991			19,991			19,991
Other current receivables	336	3,606	3,942			3,942			3,942
Income tax asset	0	345	345			345			345
Accrued income and prepaid expenses	0	1,014	1,014			1,014			1,014
Cash and cash equivalents	2,871	11,216	14,087		57,740	71,827		(43,977)	27,850
				(a)	202,250		(q)	(70,410)	
				(b)	(110,500)		(r)	880	
				(c)	(85,000)		(s)	19,090	
				(c)	59,890		(t)	6,463	
				(d)	(2,500)				
				(i)	(6,400)				
Escrow account	202,250	0	202,250	(a)	(202,250)	0			0
Total current assets	205,457	67,403	272,860		(134,710)	138,150		(43,977)	94,173
Total assets	205,457	143,872	349,329		(7,292)	342,037		(43,977)	298,060

HELIKOS SE

Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2011 — Continued

in TEUR	Helikos SE as of March 31, 2011	Pro Forma Information Exceet Group AG as of March 31, 2011	Total	Note	Pro Forma Adjustments (Assuming No Exercise of Redemption Rights)	Pro Forma (Assuming No Exercise of Redemption Rights)	Note	Pro Forma Adjustments (Assuming Maximum Exercise of Redemption Rights)	Pro Forma (Assuming Maximum Exercise of Redemption Rights)
	(unaudited)	(unaudited)			(audited)	(unaudited)		(audited)	(unaudited)
LIABILITIES AND STOCKHOLDER'S EQUITY									
Share capital	400	17,154	17,554		(16,955)	599		(77)	522
				(b)	184		(q)	(106)	
				(h)	15		(s)	29	
				(o)	(17,154)				
Reserves	189,202	36,987	226,189		1,320	227,509		(50,363)	177,146
Other Reserves	183,165				(40,292)			(50,451)	
				(b)	53,292		(q)	(70,304)	
				(f)	24,907		(s)	19,061	
				(h)	(15)		(r)	792	
				(o)	(118,476)				
Retained Earnings	6,037				41,612			88	
				(f)	(24,907)		(r)	88	
				(g)	(5,000)				
				(i)	(9,098)				
				(j)	146,275				
				(k)	1,584				
				(l)	9,800				
				(m)	(48,787)				
				(n)	(28,255)				
Equity attributable to owners of the parent	189,602	54,141	243,743		(15,635)	228,108		(50,440)	177,668
Minority interest	0	2,957	2,957		0	2,957			2,957
Total Stockholders' equity	189,602	57,098	246,700		(15,635)	231,065		(50,440)	180,625
Borrowings	0	21,094	21,094		0	21,094			21,094
				(c)	59,890				
				(p)	(59,890)				
Retirement benefit obligations	0	3,855	3,855			3,855			3,855
Deferred tax liabilities ..	0	6,858	6,858	(n)	28,255	35,113			35,113
Provisions for other liabilities and charges	0	699	699			699			699
Other non-current liabilities	0	2,986	2,986			2,986			2,986
Total non-current liabilities	0	35,492	35,492		28,255	63,747		0	63,747
Trade payables	310	11,716	12,026			12,026			12,026
Other current liabilities	0	5,723	5,723	(i)	1,198	6,921			6,921
Accrued expenses and deferred income	0	8,070	8,070			8,070			8,070
Financial liability resulting from Public Warrants	13,000	0	13,000	(g)	(7,500)	5,500			5,500
Deferred IPO expenses ..	2,500	0	2,500	(d)	(2,500)	0		0	0
							(r)	(880)	
							(r)	880	
Income tax liabilities	45	2,445	2,490			2,490			2,490
Borrowings	0	21,919	21,919	(e)	(11,110)	10,809	(t)	6,463	17,272
Provisions for other liabilities and charges	0	1,409	1,409			1,409			1,409
Total current liabilities	15,855	51,282	67,137		(19,912)	47,225		6,463	53,688
Total liabilities and stockholder's equity ..	205,457	143,872	349,329		(7,292)	342,037		(43,977)	298,060

See the accompanying notes to the unaudited Pro Forma Financial Information, which are an integral part of this information.

HELIKOS SE

Unaudited Pro Forma Condensed Combined Income Statement for the financial year ended December 31, 2010

(in € thousands)	Helikos SE as of December 31, 2010	Pro Forma Information Except Group AG as of December 31, 2010	Total	Note	Pro Forma Adjustments (Assuming No Exercise of Redemption Rights)	Pro Forma (Assuming No Exercise of Redemption Rights)	Note	Pro Forma Adjustments (Assuming Maximum Exercise of Redemption Rights)	Pro Forma (Assuming Maximum Exercise of Redemption Rights)
	(audited)	(unaudited)			(audited)	(unaudited)		(audited)	(unaudited)
Revenues	0	153,789	153,789			153,789			153,789
Cost of sales	0	(126,405)	(126,405)	(E)	(9,224)	(135,629)			(135,629)
Gross profit	0	27,384	27,384		(9,224)	18,160		0	18,160
Other income	0	2,771	2,771			2,771			2,771
Distribution costs	0	(9,800)	(9,800)	(C)	(10,190)	(19,990)			(19,990)
Administrative expenses	0	(10,012)	(10,012)		(34,017)	(44,029)			(44,029)
				(B) (83)					
				(G) (7,900)					
				(G) (1,127)					
				(H) (24,907)					
Other expenses	(1,816)	0	(1,816)			(1,816)		88	(1,728)
							(K)	88	
Operating result (EBIT)	(1,816)	10,343	8,527		(53,431)	(44,904)		88	(44,816)
Financial income	7,959	1,571	9,530	(A)	(432)	9,098	(J)	(237)	8,861
Financial expense	(1)	(3,773)	(3,774)		(4,774)	(8,548)	(L)	(131)	(8,679)
				(F) 226					
				(I) (5,000)					
Financial result, net	7,958	(2,202)	5,756		(5,206)	550		(368)	182
Profit/(loss) before taxes	6,142	8,141	14,283		(58,637)	(44,354)		(280)	(44,634)
Income tax (expense)/income ..	(45)	(1,598)	(1,643)	(D)	5,301	3,658			3,658
Profit/(loss) for the period	6,097	6,543	12,640		(53,336)	(40,696)		(280)	(40,976)
	€	€			€			€	
Earnings per share (basic) ...	0.25	302.60			(1.61)			(2.04)	
Earnings per share (diluted) ..	0.03	302.60			(0.98)			(1.13)	

See the accompanying notes to the unaudited Pro Forma Financial Information, which are an integral part of this information.

HELIKOS SE

Unaudited Pro Forma Condensed Combined Income Statement for the three months ended March 31, 2011

(in € thousands)	Helikos SE as of March 31, 2011	Pro Forma Information Exceet Group AG as of March 31, 2011	Total	Note	Pro Forma Adjustments (Assuming No Exercise of Redemption Rights)	Pro Forma (Assuming No Exercise of Redemption Rights)	Note	Pro Forma Adjustments (Assuming Maximum Exercise of Redemption Rights)	Pro Forma (Assuming Maximum Exercise of Redemption Rights)
	(unaudited)	(unaudited)			(audited)	(unaudited)		(audited)	(unaudited)
Revenues	0	42,521	42,521			42,521			42,521
Cost of sales	0	(32,916)	(32,916)			(32,916)			(32,916)
Gross profit	0	9,605	9,605		0	9,605		0	9,605
Other income	0	600	600			600			600
Distribution costs	0	(2,465)	(2,465)	(C)	(2,735)	(5,200)			(5,200)
Administrative expenses	0	(3,822)	(3,822)	(B)	(42)	(3,864)			(3,864)
Other expenses	(199)	0	(199)			(199)			(199)
Operating result (EBIT)	(199)	3,918	3,719		(2,777)	942		0	942
Financial income	435	660	1,095	(A)	(215)	880	(J)	(115)	765
Financial expense	0	(755)	(755)	(F)	62	(693)	(L)	(36)	(729)
Financial result, net ...	435	(95)	340		(153)	187		(151)	36
Profit/(loss) before taxes	236	3,823	4,059		(2,930)	1,129		(151)	978
Income tax (expense)/ income	0	(982)	(982)	(D)	706	(276)			(276)
Profit/(loss) for the period	236	2,841	3,077		(2,224)	853		(151)	702
	€	€				€			€
Earnings per share (basic)	0.01	130				0.03			0.03
Earnings per share (diluted)	0.01	130				0.02			0.02

See the accompanying notes to the unaudited Pro Forma Financial Information, which are an integral part of this information.

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Historicals of Helikos SE:

The historical financial information of Helikos Group is derived from:

- the audited consolidated financial statements as of December 31, 2010 of Helikos SE prepared in accordance with IFRS as adopted by the EU, and
- the unaudited consolidated financial statements as of and for the three months ended March 31, 2011 of Helikos SE prepared in accordance with IFRS as adopted by the EU.

2. Pro Forma Exceet Group AG

The Unaudited Pro Forma Financial Information of Exceet prepared in accordance with No. 809/2004 of the European Commission under application of IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1004) is taken from the unaudited Pro Forma Financial Information of Exceet which consists of:

- the unaudited pro forma combined balance sheet as of March 31, 2011 of Exceet,
- the unaudited pro forma combined income statements as of and for the year ended December 31, 2010 and as of and for the three months ended March 31, 2011 of Exceet, and
- the respective explanatory notes.

2. Pro Forma adjustments Exceet Group AG

Unaudited pro forma combined balance sheet as of March 31, 2011:

	Historical Information Exceet Group AG as of March 31, 2011 in TCHF (unaudited)	Historical Information Contec GmbH as of March 31, 2011 in TCHF (unaudited)	Historical Information Combined Group as of March 31, 2011 in TCHF (unaudited)	Pro Forma Adjustments (Contec GmbH) in TCHF (unaudited)	Pro Forma Information Exceet Group AG as of March 31, 2011 in TCHF (unaudited)
ASSETS					
Tangible assets	25,909	7,251	33,160	882	34,042
Intangible assets	58,984	134	59,118	5,687	64,805
Goodwill	0	0	0	0	0
Other non-current receivables	352	831	1,183	(680)	503
Total non-current assets	85,245	8,216	93,461	5,889	99,350
Inventories	31,614	8,961	40,575	0	40,575
Trade receivables, net	23,278	2,695	25,973	0	25,973
Other current receivables	3,018	1,736	4,754	(69)	4,685
Income tax asset	448	0	448	0	448
Accrued income and prepaid expenses	1,114	204	1,318	0	1,318
Cash and cash equivalents	21,875	10	21,885	(7,313)	14,572
Cash held in trust	0	0	0	0	0
Total current assets	81,347	13,606	94,953	(7,382)	87,571
Total assets	166,592	21,822	188,414	(1,493)	186,921

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

	Historical Information Exceet Group AG as of March 31, 2011 in TCHF	Historical Information Contec GmbH as of March 31, 2011 in TCHF	Historical Information Combined Group as of March 31, 2011 in TCHF	Pro Forma Adjustments (Contec GmbH) in TCHF	Pro Forma Information Exceet Group AG as of March 31, 2011 in TCHF
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
LIABILITIES AND STOCKHOLDER'S					
EQUITY					
Share capital	22,287	47	22,334	(47)	22,287
Reserves	48,054	3,986	52,040	(3,986)	48,054
Other reserves	0	0	0	0	0
Retained earnings	0	0	0	0	0
Equity attributable to owners of the					
parent	70,341	4,033	74,374	(4,033)	70,341
Minority interest	3,842	0	3,842	0	3,842
<i>Total Stockholders's equity</i>	<u>74,183</u>	<u>4,033</u>	<u>78,216</u>	<u>(4,033)</u>	<u>74,183</u>
 Borrowings	 21,530	 5,876	 27,406	 0	 27,406
Retirement benefit obligations	5,008	659	5,667	(659)	5,008
Deferred tax liabilities	8,154	0	8,154	756	8,910
Provisions for other liabilities and charges	533	1,181	1,714	(806)	908
Other non-current liabilities	630	0	630	3,249	3,879
<i>Total non-current liabilities</i>	<u>35,855</u>	<u>7,716</u>	<u>43,571</u>	<u>2,540</u>	<u>46,111</u>
 Trade payables	 12,217	 3,004	 15,221	 0	 15,221
Other current liabilities	5,509	1,927	7,436	0	7,436
Accrued expenses and deferred income	10,236	249	10,485	0	10,485
Financial liability resulting from Public					
Warrants	0	0	0	0	0
Deferred IPO expenses	0	0	0	0	0
Income tax liabilities	3,069	108	3,177	0	3,177
Borrowings	24,277	4,200	28,477	0	28,477
Provisions for other liabilities and charges	1,246	585	1,831	0	1,831
<i>Total current liabilities</i>	<u>56,554</u>	<u>10,073</u>	<u>66,627</u>	<u>0</u>	<u>66,627</u>
<i>Total liabilities and stockholders' equity</i>	<u>166,592</u>	<u>21,822</u>	<u>188,414</u>	<u>(1,493)</u>	<u>186,921</u>

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

Unaudited pro forma combined income statement for the financial year ended December 31, 2010:

	Historical Information P&L Exceet Group AG as of December 31, 2010 in TCHF	Historical Information P&L Contec GmbH as of December 31, 2010 in TCHF	Historical Information P&L Winter AG as of December 31, 2010 in TCHF	Historical Information P&L Combined Group as of December 31, 2010 in TCHF	Pro Forma Adjustments (Contec GmbH) in TCHF	Pro Forma Adjustments (Winter AG) in TCHF	Pro Forma Information Exceet Group AG as of December 31, 2010 in TCHF
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	165,215	33,519	14,051	212,785	0	(487)	212,298
Cost of sales	(129,848)	(30,276)	(14,879)	(175,003)	(156)	663	(174,496)
Gross profit	35,367	3,243	(828)	37,782	(156)	176	37,802
Other income	2,402	478	945	3,825	0	0	3,825
Distribution costs	(10,680)	(1,091)	(1,759)	(13,530)	(2)	3	(13,529)
Administrative expenses	(10,658)	(1,668)	(1,643)	(13,969)	(1)	149	(13,821)
Other expenses	0	0	0	0	0	0	0
Operating result (EBIT)	16,431	962	(3,285)	14,108	(159)	328	14,277
Financial income	1,782	384	3	2,169	0	0	2,169
Financial expense	(3,605)	(1,480)	(18)	(5,103)	(84)	(21)	(5,208)
Financial result, net	(1,823)	(1,096)	(15)	(2,934)	(84)	(21)	(3,039)
Profit/(loss) before taxes	14,608	(134)	(3,300)	11,174	(243)	307	11,238
Income tax (expense)/ income	(2,083)	3	(123)	(2,203)	61	(64)	(2,206)
Profit/(loss) for the period	12,525	(131)	(3,423)	8,971	(182)	243	9,032
	CHF						CHF
Earnings per share (basic)	567.5						417.73
Earnings per share (diluted)	567.5						417.73

Unaudited pro forma combined income statement as of March 31, 2011:

	Historical Information P&L Exceet Group AG as of March 31, 2011 in TCHF	Historical Information P&L Contec GmbH as of March 31, 2011 in TCHF	Historical Information P&L Combined Group as of March 31, 2011 in TCHF	Pro Forma Adjustments (Contec GmbH) in TCHF	Pro Forma Information Exceet Group AG as of March 31, 2011 in TCHF
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	45,819	8,863	54,682	0	54,682
Cost of sales	(33,965)	(8,326)	(42,291)	(39)	(42,330)
Gross profit	11,854	537	12,391	(39)	12,352
Other income	538	234	772	0	772
Distribution costs	(2,899)	(270)	(3,169)	(1)	(3,170)
Administrative expenses	(4,433)	(474)	(4,907)	(8)	(4,915)
Other expenses	0	0	0	0	0
Operating result (EBIT)	5,060	27	5,087	(48)	5,039
Financial income	542	307	849	0	849
Financial expense	(760)	(190)	(950)	(21)	(971)
Financial result, net	(218)	117	(101)	(21)	(122)
Profit/(loss) before taxes	4,842	144	4,986	(69)	4,917
Income tax (expense)/income	(1,304)	23	(1,281)	18	(1,263)
Profit/(loss) for the period	3,538	167	3,705	(51)	3,654
	CHF				CHF
Earnings per share (basic)	161.62				166.82
Earnings per share (diluted)	161.62				166.82

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION — Continued

Pro Forma Adjustments Contec GmbH

The estimated fair value adjustment in the provisional allocation of the purchase consideration at Contec GmbH relates to the expected recognition of the following identifiable intangible assets:

Customer Base	(amortized over 15 years)	TCHF 2,374
Brand Name	(amortized over 10 years)	TCHF 650

The annual amortization for the customer base and the brand name expected to be identified on closing, amounts to TCHF 158 and TCHF 65, respectively, and the related tax effect of TCHF 56. These amounts have been included as pro forma adjustment in the Pro Forma Financial Information of Exceet for the financial year ended December 31, 2010.

The amortization of the customer base and the brand name for the three months ended March 31, 2011 amounts to TCHF 40 and TCHF 16, respectively, and is reflected in the Pro Forma Financial Information together with the related tax effect of TCHF 14. The pro forma condensed combined balance sheet as of March 31, 2011 includes the customer base amounting to TCHF 2,374 and the brand name amounting to TCHF 650.

The pro forma combined income statements for the financial year ended December 31, 2010 reflects the interest expense arising on the contingent consideration recognized as liability on acquisition of Contec GmbH amounting to TCHF 84.

The pro forma adjustment of liabilities reflects the contingent consideration recognized as liability on acquisition amounting to TCHF 3,249 and derivative financial instruments contracts Contec GmbH has entered into. As a condition for the closing of the acquisition, (which has been fulfilled by closing on May 4, 2011) all outstanding derivative contracts had to be settled by the then current main shareholder. Further, an outstanding receivable of Contec GmbH as of March 31, 2011 from the then main shareholder amounting to TCHF 69 had to be settled. The settlement of the derivative contracts and the outstanding receivable, have been included as a pro forma adjustment in the pro forma combined balance sheet as of March 31, 2011, with the difference being recorded in retained earnings. The fair values of the derivative contracts as at March 31, 2011 amount to TCHF (806) under IFRS.

Contec GmbH has in the past incurred a pension obligation towards the main shareholder and entered into two compensating insurance contracts. As a closing condition (which has been fulfilled by closing on May 4, 2011) Contec GmbH was obligated to effectively dispose of the liability and any other obligations related to it. The main shareholder was obligated to ensure the disposal is carried out without any cost being incurred by Contec GmbH. The pension liability amounted to TCHF 659, the repurchase values of the related insurance policies amounted to TCHF 680 as of March 31, 2011 under IFRS. This closing condition has been reflected in the pro forma combined balance sheet as of March 31, 2011 through a respective reduction of retirement benefit obligations and other receivables with the difference of TCHF 21 recorded in reserves.

Pro Forma Adjustments Winter AG

The fair value adjustments in the purchase price allocation at Winter AG relate to the recognition of the following identifiable intangible assets:

Customer Base	(amortized over 15 years)	TCHF 1,658
Brand Name	(amortized over 10 years)	TCHF 307
Order Backlog	(amortized over 1 year)	TCHF 72

The annual amortization for the additional intangible assets identified for Winter AG amounts to TCHF 213, which has been included as pro forma adjustment in the pro forma combined financial information for the financial year ended December 31, 2010 together with the related tax effect of TCHF 58.

The pro forma combined income statement for the financial year ended December 31, 2010 reflects the interest expense arising on the contingent consideration recognized as liability on acquisition of Winter AG amounting to TCHF 21.

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

Winter AG carried out transactions with Visioncard GmbH in 2010, which are eliminated for the purposes of the Pro Forma Financial Information. As a result of this pro forma adjustment, sales and cost of sales decreased by TCHF 487 in the pro forma income statement for the financial year ended December 31, 2010. Upon closing, production machines were acquired from the former shareholder Trüb AG, which were previously leased by Winter AG under an operating lease agreement. Additional annual depreciation for those machines of TCHF 233 and the discontinuation of the lease payments amounting to TCHF 628 per annum, are reflected in the Pro Forma Financial Information for the financial year ended December 31, 2010, increasing pro forma income for the year 2010 by TCHF 395.

3. Overview of valuation parameters for Founder Shares, Earn-out Shares and Public Warrants

Pricing methodology

In order to value the dilutive instruments issued the Company used a Black-Scholes model with a finite differences method with the following parameters:

- a share price of €10.06, which is the per public share value of the Escrow Account
- a volatility of 20%, which is in line with the equivalent benchmark index (VDAX)
- an interest rate derived from the €5 year swap curve (Swap rate at 5 years of 2.8145%)
- no dividend payment by the Company
- a repo rate of 350bps p.a., which is the market repo rate which would be priced in equity-linked products where stock borrow availability is scarce
- all instruments have a maturity of 5 years from Business Combination
- a dilution adjustment which adjusts strike prices to reflect required changes in market capitalization of the Company at each trigger point. It was assumed that the public warrants are exercised by 20% at each Euro from a share price of €13 to €17

Founder Shares and Earnout Shares:

The following fair values have been calculated to measure Earnout Shares and Founder Shares:

Trigger	Pricing
10.06	
12.00	4.36
13.00	2.35
14.00	1.44
15.00	0.72
16.00	0.38

Public Warrants

The 20 million public warrants were restructured so that each warrant holder will receive a cash payment of € 0.625 and to amend the terms of such warrants to provide for an exercise price of €12 per Public Share and will be subject to redemption if at a share price of €17 is achieved and to reduce by 50% the number of shares delivered on exercise of each warrant. The market value of the warrants as of March 31, 2011 is €0.65 per warrant.

The hypothetical value to the warrant investor of each new warrant is €0.90 under those pricing assumptions; it consists of a cash amount of €0.625 and a new warrant price of €0.275.

4. Calculation of preliminary Purchase Price Consideration

On June 7, 2011, Helikos entered into the Share Purchase Agreement with the Sellers. Upon closing of the Transaction, Helikos will own all of the issued and outstanding capital stock of Exceet Group AG. The base consideration for all the issued and outstanding capital stock of Exceet Group AG consists of (i) €110,500,000 in cash and (ii) 53,476,000 newly issued Helikos shares (including Earnout Shares).

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

At the time of initially accounting for the Business Combination the earn-out is considered within the calculation of the purchase price according to IFRS 3. The Earnout Shares can be transferred into Public Shares based on the achievement of certain performance targets with respect to certain stock price hurdles.

The following table has been prepared using the two different levels of approval of the transaction (i) assuming no exercise of redemption rights and (ii) assuming maximum exercise of redemption rights, both of which are described elsewhere in this statement. Assumptions and estimates used in the determination of the purchase price consideration are (i) a trading share price of €10.06 for Helikos' shares is assumed (ii) that the earn-out payments in shares is probable and (iii) that there is no upwards or downwards adjustment to account for net cash and working capital. The direct related acquisition costs are estimated to be €7.9 million.

	Source	
	Assuming No Exercise of Redemption Rights	Assuming Maximum Exercise of Redemption Rights
	in TEUR	in TEUR
Helikos SE cash March 31, 2011	205,121	205,121
Deferred IPO cost	(2,500)	(1,620)
Estimated direct acquisition cost	(7,900)	(7,900)
Cash immediately before transaction	<u>194,721</u>	<u>195,601</u>
Cash in Escrow Account held for payment to Helikos SE stockholders that exercise their redemption rights		70,410(1)
Founders Purchase Option		<u>(19,090)(3)</u>
Cash available for the acquisition	194,721	144,281
Issuance of new shares	53,476	53,476
Uses		
Consideration paid in cash	110,500	110,500
Estimated consideration paid in shares	53,476	53,476
Working capital and indebtedness adjustments	0(2)	0(2)
Estimated purchase price consideration	<u>163,976</u>	<u>163,976</u>

- (1) To reflect the cash repayment to Helikos' stockholders for the maximum redemption amounting to their pro rata interest in the Escrow Account. The pro forma adjustment is based upon an assumed cash repayment of €10.06 per share and 34.99% redemption. This amount is equal to the shareholders' pro rata portion of the Escrow Account as of March 31, 2011. The actual amount may differ from this estimate.
- (2) Assuming no purchase price adjustments due to net cash or net working capital.
- (3) Please refer to no. 6 (s) below

Estimated direct acquisition costs of Helikos SE are not included in the estimated purchase price consideration according to IFRS 3 (rev. 2008).

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

5. Purchase Price Allocation

The following table provides information regarding the pro forma purchase price, the pro forma adjustments to the Exceet Group's assets and liabilities and the pro forma goodwill, in thousands, as if the purchase had taken place on March 31, 2011:

Preliminary Derivation of goodwill (IFRS) as of March 31, 2011

	RUL**	TEUR
Consideration transferred*		
Total consideration transferred*		163,976
Acquired book value net assets		55,014
Book value existing goodwill and intangible assets		48,787
Acquired book value net assets without recognized intangibles		<u>6,227</u>
Net assets contributed by Helikos		
Intangible assets at fair values		146,275
thereof customer relationships	10-16 years	87,278
thereof technology	9-11 years	33,476
thereof trademarks	15 years	25,521
Tangible assets—differences in book and fair value		1,584
thereof land & buildings	16 years	1,045
thereof machinery & equipment	1-6 years	539
Inventories—differences in book and fair value (100%)		9,800
Net assets Exceet Group AG at fair values		<u>163,886</u>
Deferred tax liability (net)		28,255
Net assets after deferred taxes		135,631
Preliminary goodwill as of March 31, 2011		28,345

* preliminary assumption based on Share Purchase Agreement and management assumption

** remaining useful life

The purchase price has been allocated to the significant intangible and tangible assets in accordance with IFRS 3 (rev. 2008). Goodwill which has been derived as of March 31, 2011 results as the excess of the consideration transferred over the fair values of the tangible and intangible assets less liabilities (IFRS 3.32). The purchase price allocation is based on information available and expectations and assumptions deemed reasonable by management. The valuation of the single assets has been carried out by using period specific weighted average cost of capital (WACC).

The purchase price allocation is preliminary until the Company completed a third-party valuation and determined the fair values. Any additional adjustments to reflect the Exceet Group's assets and liabilities at fair value would affect the pro forma goodwill, and may affect depreciation and amortization expenses in the future. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the preliminary amounts presented in the unaudited Pro Forma Financial Information. See note 6 (j) and 6 (k) for the estimated useful lives of the acquired assets.

6. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet

Assuming no exercise of redemption rights

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

The following adjustments to the pro forma condensed financial statements are based on the Purchase Price Agreement and included adjustments

(a) to record the reclassification from ‘Escrow Account’ to ‘cash’;

(b) to record the base consideration being cash paid (€ 110.5 million) to the Sellers and equity consideration (3,100,000 shares at an assumed share price of € 10.06, in total € 31.2 million) issued for the acquisition and 9,000,000 issued Earn-out Shares at an weighted average share price of €2.48 is assumed. The weighted average share price is valued with a Black-Scholes model with a finite differences method. The calculation of the weighted average share prices is based on assumptions made by management.

(c) to record the investment of a maximum € 85 million in at closing of the transaction via a capital contribution at Exceet Group AG against cash contribution (a minimum capital contribution of €15 million has been agreed). Under the terms of the Share Purchase Agreement, the final amount of the investment is calculated by subtracting the € 12.5 million paid to warrant holders, bank fees of up to €1.5 million, shareholder loan repayment and redemptions of Public Shares from the maximum of € 85 million.

(d) to reflect the payment of € 2.5 million deferred IPO fees related to Helikos’ initial public offering. These firm deferred IPO fees become payable once the acquisition is completed. For purposes of the Pro Forma Financial Information, it is assumed that no discretionary fee will be paid.

(e) to record the repayment by Helikos of € 11.1 million of Exceet Group’s loans upon closing of the Transaction.

(f) to record expenses for goods / services, that do not qualify for recognition as assets. For equity-settled share-based payment transactions a corresponding increase in equity is recognised.

(g) to reflect the amended structure of 20 million outstanding public Helikos warrants combined with an additional compensation payment to the public warrant holders. As noted in 6(c), the amount to be paid in connection with such exchange to the warrant holders reduces the € 85 million to be contributed by Helikos into Exceet Group AG. The share price of the public warrants is valued with a Black-Scholes model with a finite differences method. The calculation is based on assumptions made by management.

The conversion of Public Warrants into Public Shares depends on thresholds based on different share prices. The value to the warrant investor of the new warrant is € 0.90 under the pricing assumptions described elsewhere in this proxy statement, consisting of a cash amount of € 0.625 and a new warrant price of € 0.275, see note 3.

(h) record the exchange of 10 million Founder Warrants for 1 million new Founder Shares.

(i) to reflect the estimated direct attributable Transaction costs of € 7.9 million of Helikos (including discretionary fees) and € 1.2 million of Exceet Group AG.

(j) to record the estimated fair value of intangible assets based on management’s estimate, pending on completion of a third-party valuation. The fair value adjustment and the remaining useful life can differ significantly in the final purchase price allocation. The following fair values for have currently been identified:

Preliminary valuation results—Fair values intangibles as of March 31, 2011

Intangibles	Fair Value TCHF	Fair Value TEUR	RUL in years
ECMS Brand	15,638	12,037	15
IDMS Brand	10,489	8,073	15
ESS Brand	7,031	5,412	15
ECMS Technology	24,515	18,869	11
IDMS Technology	12,190	9,383	9
ESS Technology	6,787	5,224	11
ECMS Customer Relationships	84,248	64,846	16
IDMS Customer Relationships	22,713	17,482	13
ESS Customer Relationships	6,431	4,950	10
Total	<u>190,042</u>	<u>146,276</u>	

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION — Continued

(k) to adjust property, plant and equipment values to fair value based on management's estimate, pending on completion of a third-party valuation. The fair value adjustment and the remaining useful life can differ significantly in the final purchase price allocation. The following fair value step ups for tangible assets and inventories have currently been identified:

Preliminary valuation results—Step ups tangibles and inventories as of March 31, 2011

Tangibles	Fair Value TCHF	Fair Value TEUR	RUL in years
Land	82	63	
Building	1,277	983	16
Production facilities and machinery	773	595	6
Equipment	22	17	5
Vehicles	5	4	3
IT-Hardware	(100)	(77)	1
Inventories	12,733	9,801	1
Total	14,792	11,386	

(l) to adjust inventory to reflect estimated market value less cost to sell (see illustration above).

(m) reverse book value of existing goodwill and intangible assets.

(n) to reflect the deferred income tax effect at an assumed tax rate of 25.95%, related to the net pro forma adjustments. The assumed tax rate of 25.95% results as a weighted average of the Exceet Group's tax rate based on turnover in major operating countries. The Exceet Group's actual effective tax rate after the Transactions are completed may vary significantly from this estimate, depending upon the relative earnings and deductions in the various tax jurisdictions.

(o) to eliminate Exceet Group AG's historical shareholders equity and to record pro forma goodwill based on the preliminary purchase price consideration and the preliminary purchase price allocation.

(p) to eliminate Helikos' contribution into Exceet Group AG via capital contribution after business combination (see also (c)).

Assuming maximum exercise of redemption rights

(q) to reflect the cash repayment to Helikos' stockholders for redemption amounting to their pro rata interest in the Escrow Account. The pro forma adjustment is based upon an assumed cash repayment of € 10.06 per share and net redemption of 25.5%, after giving effect to a Founders' Purchase Option exercise for € 19.09 million. The deferred IPO underwriting fees are based on the IPO prospectus net of redemption and Founders' Purchase Option exercise.

(r) to reflect decreased firm deferred underwriting fees that will apply in the event of redemptions or exercises of the Founders Purchase Option. A portion of the underwriting commissions due in connection with Helikos' IPO were in the form of deferred underwriting commissions. The firm deferred underwriting commission due is 1.25% of the adjusted gross proceeds of the IPO. Adjusted gross proceeds are calculated by subtracting amounts paid for redemptions or exercises of the Founders Purchase Option in connection with Helikos' initial business combination from the gross proceeds of the IPO. Assuming redemption requests of 35% less one share, the adjusted gross proceeds of the IPO would be reduced by €70.4 million, corresponding to a decrease of €880 thousand of deferred underwriting commissions. Following the IPO, the maximum firm deferred underwriting commissions of €2.5 million were allocated between the Public Shares and Public Warrants sold in the IPO. 90% of the fees were charged to equity, and 10% was charged to profit and loss. In the balance sheet, the adjustment in this paragraph (r) for the €880 thousand reduction in deferred underwriting commissions debits other reserves for 90% of the amount and retained earnings by 10%. The 10% reduction in deferred underwriting commissions is credited to profit and loss.

(s) to reflect an assumed exercise of the Founders' Purchase Option in an amount of € 19.09 million¹.

(t) to reflect that under the terms of the Share Purchase Agreement in case of full redemption two shareholder loans will not be repaid. The remaining € 6.5 million remain outstanding.

¹ We assume for purpose of pro-forma financials that in the redemption scenario Wendel will compensate the cash shortfall of € 19.09 million (Founders' Purchase Option). Cash shortfall is due to the fact that minimum capital contribution of € 15 million has been agreed. In case of real cash shortfall the treatment may vary significantly from this assumption.

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

7. Adjustments to the Unaudited Pro Forma Condensed Combined Income Statement for the financial year ended December 31, 2010 and for the three months ended March 31, 2011

Assuming no exercise of redemption rights

Recurring adjustments:

(A) to reflect lower interest income on lower cash on Escrow Account after consummation of the Transaction.

(B) to increase depreciation expenses for the financial year ended December 31, 2010 and for the first three months 2011 as a result of the pro forma estimated adjusted fair value of property, plant and equipment as part of the purchase price allocation. The depreciation of IT Hardware is only recognised in 2010 since the useful lifetime is one year.

(C) to increase amortization expenses for the financial year ended December 31, 2010 and for the first three months 2011 as a result of the pro forma estimated adjusted fair value of intangible assets as part of the purchase price allocation.

(D) to reflect the income tax effect at an assumed tax rate of 25.95%, related to the net pro forma adjustments. The income tax effect comprises operational income taxes and deferred income taxes. Exceet Group AG's actual effective tax rate after the transactions are completed may vary significantly from this estimate, depending upon the relative earnings and deductions in the various tax jurisdictions.

Non-recurring adjustments

(Those adjustments are only subject to the unaudited pro forma condensed combined Income Statement for the financial year ended December 31, 2010):

(E) to delete the valuation of inventories at market value less cost to sell to reflect the assumption that inventories are sold within the next year. By recognising inventories at market value less cost to sell the corresponding margin will be lower.

(F) to reflect the interest expense which has not to be paid because of repayable of Exceet Group's loans upon closing of the Transaction.

(G) to reflect the estimated direct attributable Transaction costs of € 7.9 million of Helikos and € 1.2 million of Exceet Group AG.

(H) to reflect the amortization on the fair value of compensation in equity instruments for services provided by the founders to the Company (according to IFRS 2). The fair value of the provided services and its compensation in equity instruments (6.3 million Founder Shares issued to their nominal value) is calculated assuming no vesting period and assumptions for the share price of the Founder Shares described elsewhere in this proxy statement. The weighted average share price is valued with a Black-Scholes model with a finite differences method. The vesting period and the calculation of the share prices are based on assumptions made by the management.

(I) Reflect the expenses due to amendment of the structure of Public Warrants including an additional cash payment.

Assuming Maximum Exercise of Redemption Rights

Additional Recurring adjustments:

(J) to reflect lower interest income on lower cash on Escrow Account after consummation of the acquisition and after maximum exercise of redemption rights.

HELIKOS SE

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION — Continued

Additional Non-recurring adjustments

(K) to reflect decreased deferred IPO underwriting fees in case of a maximum exercise of redemption rights. See Note 6 (r).

(L) to reflect the reverse of (F) because in case of full redemption two shareholder loans will not be repaid. Therefore, the interest expense which has been reversed because of repayment of Exceet Group's loans upon closing of the Transaction are corrected.

8. Pro Forma Earnings Per Share

The following table set forth the determination of weighted average common shares outstanding assuming that the initial public offering of Helikos and the acquisition of the Exceet Group had occurred on January 1, 2010.

Reconciliation of weighted average common shares outstanding—March 31, 2011

in thousand shares		Basic	Diluted
Public Shares outstanding, March 31, 2011		20,000	20,000
Founder Shares	(1)	2,100	7,316
Shares issued—purchase price consideration		3,100	3,100
Shares issued—contingent consideration		—	9,000
Exercise of public warrants into new Helikos shares		—	1,928(2)
Shares outstanding assuming no redemption		25,200	41,344
Less conversion shares—assuming maximum conversion		(5,101)	(5,101)
Shares outstanding assuming maximum redemption		20,099	36,243

- (1) Assuming a share price of € 10.06 per share and a cashless exercise. At share price of € 10.06, 2,100 million Founder Shares were converted into public shares.
- (2) It was assumed that 20% of the Public Warrants are exercised at each euro from a share price of €13 to €17 on a cashless exercise basis.

The historical earnings per share for Helikos in 2010 were € 0.25 (basic) and € 0.03 (diluted), respectively. Pro forma income (loss) per share was calculated by dividing pro forma net income (loss) by the weighted average number of shares as follows, assuming Helikos' initial public offering occurred on January 1, 2010.

	Assuming No Exercise of Redemption Rights	Assuming Maximum Exercise of Redemption Rights
Number of ordinary shares outstanding upon consummation of the acquisition (in thousand shares)	25,200	20,099(3)
Pro forma income (in TEUR)	(40,696)	(40,976)
Pro forma earnings per share (in EUR)		
basic	(1.61)	(2.04)
diluted	(0.98)	(1.13)

- (3) The number of ordinary shares outstanding upon consummation of the acquisition in case of maximum exercise of redemption rights is calculated via shares outstanding assuming no redemption less conversion shares assuming maximum conversion.

HELIKOS SE
NOTES TO THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION — Continued

The historical earnings per share for Helikos for the three months ended March 31, 2011 were €0.01 (basic) and € 0.01 (diluted), respectively. Pro forma income (loss) per share was calculated by dividing pro forma net income (loss) by the weighted average number of shares as follows, assuming Helikos' initial public offering occurred on January 1, 2010.

	Assuming No Exercise of Redemption Rights	Assuming Maximum Exercise of Redemption Rights
Number of ordinary shares outstanding upon consummation of the acquisition (in thousand shares)	25,200	20,099(1)
Pro forma income (in TEUR)	853	702
Pro forma earnings per share (in EUR)		
basic	0.03	0.03
diluted	0.02	0.02

- (1) The number of ordinary shares outstanding upon consummation of the acquisition in case of maximum exercise of redemption rights is calculated via shares outstanding assuming no redemption less conversion shares assuming maximum conversion.

Independent Assurance Report on Pro Forma Financial Information

To the Board of Directors of
Helikos S.E.
Société Européenne
115 avenue Gaston Diderich
L-1420 Luxembourg

In accordance with EU Regulation No 809/2004, we report on the compilation of the pro forma combined financial information ("Pro Forma Financial Information") of Helikos S.E. (the "Company") consisting of the pro forma statement of financial position of the Company as at 31 March 2011, the pro forma income statement of the Company for the period from 1 January 2010 to 31 December 2010, the pro forma income statement of the Company for the three month period ended 31 March 2011 and accompanying notes to the Pro Forma Combined Financial Information.

The Pro Forma Financial Information has been compiled on the basis described in the accompanying notes (the "Notes") for illustrative purposes only, to provide information about how the potential business combination with Exceet Group AG (the "Business Combination") might have affected the unaudited combined statement of financial position of the Company as at 31 March 2011, as if the acquisition of Exceet Group AG by Helikos S.E. would have taken place at 31 March 2011 and, in addition, as if the acquisition of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. by Exceet Group AG would have taken place at 31 March 2011 and the combined income statement of the Company for the period from 1 January 2010 to 31 December 2010 and the pro forma income statement of the Company for the three month period ended 31 March 2011, as if the acquisition of Exceet Group AG by Helikos S.E. would have taken place at 1 January 2010 and, in addition, as if the acquisitions of Winter AG and of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. by Exceet Group AG would have taken place on 1 January 2010.

As described above the Pro Forma Financial Information also shows the effects of the acquisitions of Winter AG, which was completed on 29 December 2010, and of Contec Steuerungstechnik & Automation Gesellschaft m.b.H., which was completed on 4 May 2011, each by Exceet Group AG, by using the pro forma financial information as of 31 March 2011 issued by Exceet Group AG, which shows the effects of both acquisitions.

Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The pro forma financial information of Exceet Group AG as of 31 March 2011 was audited by another auditor whose report dated 27 May 2011 expressed an unqualified opinion on this pro forma financial information. This auditor has planned and performed its audit in accordance with IDW Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) promulgated by the IDW (Institut der Wirtschaftsprüfer in Deutschland e.V.). As stated before, the pro forma financial information of Exceet Group A.G., which reflects total assets of K EUR143.873 as of 31 March 2011 and total revenues of K EUR42.521 for the three months period from 1 January 2011 to 31 March 2011 and K EUR153.789 for the period from 1 January 2010 to 31 December 2010 was audited by another auditor and accordingly we do not accept any responsibility for any pro forma financial information reported on by another auditor.

Board of Directors' responsibility

It is the Board of Directors' responsibility to compile the Pro Forma Financial Information in accordance with the requirements of EU Regulation No 809/2004.

Reporting responsibility

It is our responsibility to form an opinion, as required by Annex II item 7 of EU Regulation No 809/2004, as to the proper compilation of the Pro Forma Financial Information. The aforementioned opinion does not require an audit of historical unadjusted financial information, the pro forma financial information of Exceet Group AG, which was performed by another auditor, the adjustments to conform the accounting policies of Exceet Group AG to the accounting policies of the Company, or the assumptions summarized in the accompanying notes. We are not responsible for updating any reports or opinions previously issued by us for any events that occurred subsequent to the date of our report on the historical financial information used in the compilation of the Pro Forma Financial Information.

Work performed

We conducted our work in accordance with International Standard on Assurance Engagements 3000, “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”. We planned and performed our work to obtain reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in the notes, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the management of the Company.

Opinion

In our opinion, in all material respects:

- a) The Pro Forma Financial Information has been properly compiled on the basis stated in the notes to the Pro Forma Financial Information; and
- b) That basis is consistent with the accounting policies of the Company.

We draw your attention to the section “1. Basis of Preparation”, which describes the assumptions on which such pro forma combined financial information is prepared as well as to section “3. Overview of valuation parameters for shares”, which describes the assumptions on which basis certain dilutive instruments have been valued. Such assumptions relate to events and conditions whose outcome is uncertain as of the date of this report, for example the approval of the business combination with Exceet Group AG by the general meeting of shareholders of the Company. Consequently the unaudited pro forma combined financial information represents a hypothetical situation only and therefore does not indicate the actual consolidated results of operations or financial position of Helikos S.E.. It should further not be taken as indicative of the future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the pro forma combined financial information.

As described in the section “1. Basis of Preparation, the allocation of the purchase considerations as reflected in the pro forma combined financial information is made on a provisional basis. Upon consummation of the business combination and finalization of such allocations, the final purchase price allocation at closing may be different than that reflected in the provisional allocation and those differences may be material.

This report is issued for the sole purpose of the proxy statement, in view of seeking the shareholders’ approval for the business combination with exceet Group AG and, depending on the shareholders’ decision, in view of the later admission of Public Shares of Helikos SE to trading on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), pursuant a prospectus that will be filed with the Luxembourg Commission de Surveillance du Secteur Financier (“CSSF”) in connection with such admission. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report other than as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report other than as described above.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé



Bruno Di Bartolomeo

Luxembourg, 7 June 2011

Exceet Group AG

**Unaudited consolidated
interim financial statements (IFRS)
for the three months
ended March 31, 2011**

EXCEET GROUP AG

CONDENSED CONSOLIDATED BALANCE SHEET

	unaudited March 31, 2011 TCHF	December 31, 2010 TCHF
Assets		
Non-current assets		
Tangible assets	25,909	26,161
Intangible assets	58,984	58,827
Other non-current receivables	352	349
Total non-current assets	85,245	85,337
Current assets		
Inventories	31,614	27,772
Trade receivables, net	23,278	20,353
Other current receivables	3,018	1,287
Income tax receivable	448	341
Accrued income and prepaid expenses	1,114	671
Cash and cash equivalents	21,875	23,578
Total current assets	81,347	74,002
Total assets	166,592	159,339
Equity		
Share capital	22,287	22,287
Reserves	48,054	43,516
Equity attributable to owners of the parent	70,341	65,803
Non-controlling interests	3,842	3,990
Total equity	74,183	69,793
Liabilities		
Non-current liabilities		
Borrowings	21,530	23,391
Retirement benefit obligations	5,008	5,138
Deferred tax liabilities	8,154	8,128
Provisions for other liabilities and charges	533	503
Other non-current liabilities	630	625
Total non-current liabilities	35,855	37,785
Current liabilities		
Trade payables	12,217	11,385
Other current liabilities	5,509	6,808
Accrued expenses and deferred income	10,236	7,482
Income tax liabilities	3,069	2,512
Borrowings	24,277	22,157
Provisions for other liabilities and charges	1,246	1,417
Total current liabilities	56,554	51,761
Total liabilities	92,409	89,546
Total equity and liabilities	166,592	159,339

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	unaudited 01.01.-31.03.2011 TCHF	unaudited 01.01.-31.03.2010 TCHF
Revenue		45,819	35,766
Cost of sales		-33,965	-28,682
Gross profit		11,854	7,084
Distribution costs		-2,899	-2,448
Administrative expenses		-4,433	-2,440
Other operating income		538	409
Operating result (EBIT)		5,060	2,605
Financial income		542	220
Financial expense		-760	-668
Financial result, net		-218	-448
Profit before income tax		4,842	2,157
Income tax expense		-1,304	-24
Profit for the period		3,538	2,133
Profit attributable to:			
Owners of the parent		3,602	2,368
Non-controlling interests		-64	-235
		CHF	CHF
Earnings per share (basic) in CHF	8	161.62	106.25
Earnings per share (diluted) in CHF	8	161.62	106.25

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	unaudited 01.01.-31.03.2011 TCHF	unaudited 01.01.-31.03.2010 TCHF
Profit for the period	3,538	2,133
Other comprehensive income:		
Actuarial gains/(losses) and adjustments under IAS 19.58b	125	1,117
Deferred tax effect on actuarial (gains)/losses	-18	-210
Currency translation differences	807	-580
Other comprehensive income for the period	914	327
Total comprehensive income for the period	4,452	2,460
Attributable to:		
Owners of the parent	4,516	2,695
Non-controlling interests	-64	-235

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	unaudited 01.01.-31.03.2011 TCHF	unaudited 01.01.-31.03.2010 TCHF
Profit before income tax		4,842	2,157
Amortization on intangible assets		700	644
Depreciation on tangible assets		1,448	1,334
(Gains)/ losses on disposal of assets		0	-6
Interest Income/ (expense), net		312	398
Other non-cash (income)/ expenses		125	-13
Adjustments to retirement benefit obligation/ prepaid cost		-78	-17
Operating results before changes in net working capital		7,349	4,497
<u>Changes to net working capital</u>			
Changes to inventories		-3,486	-1,025
Changes to receivables		-2,752	-1,124
Changes to accrued income and prepaid expenses		-416	-238
Changes to liabilities		-747	-1,719
Changes to provisions for other liabilities and charges		-218	-54
Changes to accrued expenses and deferred income		2,551	1,746
Tax received		0	64
Tax paid		-459	-1,025
Interest received		3	3
Interest paid		-241	-151
Cash flows from operating activities		1,584	974
Acquisition of subsidiaries, net of cash acquired	6	-1,874	0
Acquisition of tangible assets	6	-733	-373
Sale of tangible assets		0	0
Acquisition of intangible assets		-15	-62
Cash flows from investing activities		-2,622	-435
Acquisition of non-controlling interests		-62	0
Repayment of borrowings		-60	-4,111
(Repayment)/ proceeds in finance lease		-909	25
Cash flows from financing activities		-1,031	-4,086
Net changes in cash and cash equivalents		-2,069	-3,547
Cash and cash equivalents at the beginning of the period		23,578	16,204
Effect of exchange rate gains/ (losses)		366	-237
Cash and cash equivalents at the end of the period		21,875	12,420

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and paid-in share capital	Capital reserves	Retained earnings	Foreign Currency transl. diff.	Non-controlling interests	Total
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balances at January 1, 2011	22,287	29,594	17,520	-3,598	3,990	69,793
Profit for the period			3,602		-64	3,538
Other comprehensive income:						
Actuarial gains/(losses) and adjustments under IAS 19.58b			125			125
Deferred tax effect on actuarial (gain)/loss			-18			-18
Currency translation differences				807		807
Total other comprehensive income for the period	0	0	107	807	0	914
Total comprehensive income for the period	0	0	3,709	807	-64	4,452
Acquisition of non-controlling interests			22		-84	-62
Balances at March 31, 2011 unaudited	22,287	29,594	21,251	-2,791	3,842	74,183
	Issued and paid-in share capital	Capital reserves	Retained earnings	Foreign Currency transl. diff.	Non-controlling interests	Total
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balances at January 1, 2010	22,287	29,594	5,035	-616	4,031	60,331
Profit for the period			2,368		-235	2,133
Other comprehensive income:						
Actuarial gains/(losses) and adjustments under IAS 19.58b			1,117			1,117
Deferred tax effect on actuarial (gain)/loss			-210			-210
Currency translation differences				-580		-580
Total other comprehensive income for the period	0	0	907	-580	0	327
Total comprehensive income for the period	0	0	3,275	-580	-235	2,460
Balances at March 31, 2010 unaudited	22,287	29,594	8,310	-1,196	3,796	62,791

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS

Notes to the unaudited consolidated interim financial statements

1 General information

The Group's parent company is exceet Group AG with its registered office at Marktplatz 4, 9004 St. Gallen, Switzerland. exceet Group AG was established on October 23, 2006.

This condensed consolidated interim financial information is unaudited and was approved for issue on May 27, 2011.

2 Accounting policies

The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2010, except as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2011.

Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities; and clarifies and simplifies the definition of a related party. The revised IAS 24 is required to be applied from January 1, 2011.

'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after February 1, 2010.

'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. The amendments are effective for annual periods beginning January 1, 2011. The amendment did not impact the Group's result and financial position.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after July 1, 2010. The amendment did not impact the Group's result and financial position.

Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard but most are effective January 1, 2011.

b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2011 and have not been early adopted:

IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and liabilities and is likely to affect the Group's accounting for its financial assets and liabilities. The standard is not applicable until January 1, 2013 but is available for early adoption. The Group has not yet decided when to adopt IFRS 9.

Amendments to IFRS 7 'Disclosures – Transfers of financial assets' requires additional disclosures in respect of risk exposures arising from transferred financial assets (e.g. factoring, securitization), any associated liabilities and it includes additional disclosure requirements in respect to those transfers. The amendment is effective for annual periods beginning on or after July 1, 2011, early application is permitted.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

3 Basis of preparation of quarterly report

This consolidated interim financial information for the three months ended March 31, 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with IFRSs, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB).

The following exchange rates were relevant to the interim financial report as per March 31, 2011:

	31.03.2011	Average 01.01.-31.03.2011	31.12.2010	31.03.2010	Average 01.01.-31.03.2010
1 EUR	1.30	1.29	1.25	1.43	1.46
1 USD	0.92	0.94	0.94	1.06	1.06

4 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2010.

Due to the seasonal nature of the segment IDMS, higher revenues are usually expected in the second half of the year based on past experiences. The segment ECMS is usually not influenced of seasonal effects.

5 Scope of consolidation

On March 1, 2011, the Group acquired exceet Austria GmbH, an inactive holding company, which has been purchased for TCHF 51. At the date of acquisition, the acquired asset contains only cash positions.

On February 16, 2011, the Group acquired additional 4.88% of the issued share capital of Winter AG and increased its interest in the subsidiary to 100%. The purchase of additional subsidiary shares once control is obtained by the parent entity is accounted for as an equity transaction and no gain or loss was recorded. The purchase price was TCHF 62.

Net income attributable to parent entity and transfer from the non-controlling interests:

For the three months ended March 31	unaudited 2011 TCHF
Net income attributable to parent entity	3,602
Transfer from the non-controlling interests:	
Increase in equity for purchase of Winter AG shares	<u>22</u>
Entity and net transfers from the non-controlling interests	3,624

6 Additional information to the cash flow statement

	unaudited Cash flow 01.01.-31.03.2011	Date of consolidation
Cash flow on acquisition of investments		
Cash outflow on acquisition of exceet Austria GmbH	-10	March 1, 2011
Cash outflow on acquisition of The Art of Packaging s.r.o.	-476	December 31, 2010
Cash outflow on acquisition of AuthentiDate AG	<u>-1,388</u>	April 1, 2011
Total	-1,874	

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery.

7 Segment information

The Group has two main business segments, Electronic Components Modules & Systems ('ECMS') and ID Management & Systems ('IDMS'), representing different subsidiaries. The segment information is presented on the same basis as for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the Management Board. In addition, the Group has a third segment 'Corporate and other' for reporting purposes which only includes the investment companies. The segment information for the three months ended March 31, 2011 and a reconciliation of EBIT to profit for the period are provided as follows:

Income statement/capital expenditure by segment

	ECMS		IDMS		Corporate and others		Inter-segment Elimination		Group consolidated	
	unaudited		unaudited		unaudited		unaudited		unaudited	
in TCHF	01.01.2011-31.03.2011	01.01.2010-31.03.2010	01.01.2011-31.03.2011	01.01.2010-31.03.2010	01.01.2011-31.03.2011	01.01.2010-31.03.2010	01.01.2011-31.03.2011	01.01.2010-31.03.2010	01.01.2011-31.03.2011	01.01.2010-31.03.2010
External revenue	31,174	24,559	14,645	11,207	0	0			45,819	35,766
Inter-segment revenue	0	0	4	5	158	106	-162	-111	0	0
Total revenue	31,174	24,559	14,649	11,212	158	106	-162	-111	45,819	35,766
Operating result (EBITDA)	7,858	4,856	1,489	751	-2,139	-1,025			7,208	4,582
Depreciation and amortization	-1,485	-1,408	-654	-561	-9	-8			-2,148	-1,977
Operating result (EBIT)	6,373	3,448	835	190	-2,148	-1,033			5,060	2,605
Financial income									542	220
Financial costs									-760	-668
Financial result – net									-218	-448
Profit before income tax									4,842	2,157
Income tax expense									-1,304	-24
Profit for the period									3,538	2,133
Capital expenditure tangible assets	388	1,213	114	549	0	0			502	1,762
Capital expenditure intangible assets	10	18	5	32	0	12			15	62
Depreciation tangible assets	-875	-804	-573	-530	0	0			-1,448	-1,334
Impairment tangible assets	0	0	0	0	0	0			0	0
Amortization intangible assets	-610	-605	-81	-31	-9	-8			-700	-644
Impairment of goodwill	0	0	0	0	0	0			0	0

Assets/liabilities by segment

	ECMS		IDMS		Corporate and others		Group consolidated	
	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited
in TCHF	31.03.2011	31.12.2010	31.03.2011	31.12.2010	31.03.2011	31.12.2010	31.03.2011	31.12.2010
Non current Assets	56,362	57,244	58,351	28,817	28,018	26,474	66	75
Current Assets	54,990	49,528	39,055	19,066	20,473	17,496	7,291	4,001
Liabilities	36,516	33,227	27,882	20,071	22,158	15,765	35,822	34,161

NOTES TO FINANCIAL STATEMENTS—(Continued)

EXCELT GROUP AG

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

8 Earnings per share

a) Basic

In accordance with IAS 33, the basic earnings per share are equal to the net income for the period divided by the weighted number of outstanding registered shares.

	unaudited 01.01.-31.03.2011	unaudited 01.01.-31.03.2010
	TCHF	TCHF
Profit for the period (CHF) attributable to equity holders of the company	3,602	2,368
Number of weighted registered shares	<u>22,287</u>	<u>22,287</u>
Basic earnings per share (CHF/ share)	161.62	106.25

b) Diluted

Diluted earnings per share are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. As there are no options or shared based payment plan outstanding or other instruments which could lead to an increase of the average number of shares, the diluted EPS and the basic EPS are equal.

9 Significant events and transactions

9.1 Transaction cost related to the abandoned public offering

As per March 31, 2011, the Group recognized TCHF 1,042 in administrative expenses in the income statement as it was decided to abandon the public offering.

9.2 Acquisition of AuthentiDate AG

With respect to the acquisition of AuthentiDate AG (refer to note 14), the Group has paid to an escrow account of TCHF 1,388 (TUSD 1,530), which is recognized within other current receivables as March 31, 2011.

10 Development Costs

The position “cost of sales” in the consolidated income statement includes development costs in the amount of TCHF 1,968 (prior period January 1, 2010 to March 31, 2010 – TCHF 1,729; prior year January 1, 2010 to December 31, 2010 – TCHF 7,783).

Development costs are mainly related to the development of customer projects and products, process development and optimization for the productions.

11 Dividends

No dividends were paid during the three months ended March 31, 2011 and the financial year 2010.

12 Financial risk management

In 2011, there were no significant changes in the business or economic circumstances that affect the fair value of the Group’s financial assets and financial liabilities.

In 2011, there were no reclassifications of financial assets.

13 Contingencies

There have been no material changes in contingent liabilities since December 31, 2010.

14 Related-party transactions

The main related party transactions are related to the shareholder loans which has been unchanged since year-end (interest charge for the period 2011 – TCHF 74 (2010: TCHF 83)). In addition, the Group had legal charges in the first three months of 2011 of TCHF 33 (2010: TCHF 70). For the acquisition of The Art of Packaging s.r.o. at December 31, 2010, TCHF 476 has been paid to members of Management Board of exceet Group AG (note 6) in the first quarter of 2011.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

15 Events occurring after the reporting period

On April 1, 2011, the Group acquired all of the issued shares in AuthentiDate AG, Düsseldorf, for a cash consideration of USD 1,530,300. The initial accounting, i.e. the determination of fair values of the net identifiable assets of the company, for this business combination was incomplete at the time the financial statements were authorized for issue. This is due to the fact that the financial statements were authorized for issue very close to the acquisition date.

On March 8, 2011, the Group signed by way of a share purchase agreement its intention to acquire all shares of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. On May 4, 2011 except Austria GmbH – which has been purchased on March 1, 2011 – acquired all of the issued shares of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. for a cash consideration of TEUR 8,129 (thereof fix purchase consideration TEUR 5,629 and contingent consideration TEUR 2,500). The initial accounting, i.e. the determination of fair values of the net identifiable assets of the company, for this business combination was incomplete at the time the financial statements were authorized for issue. This is due to the fact that the financial statements were authorized for issue very close to the acquisition date.

No further disclosures can be provided as this acquisition has been closed in the beginning of May 2011.

Exceet Group AG

**Audited consolidated
financial statements
for the years ended
December 31, 2010,
December 31, 2009 and
December 31, 2008 (IFRS)**

EXCEET GROUP AG

CONSOLIDATED BALANCE SHEET

	Note	Dec. 31, 2010 TCHF	Dec. 31, 2009 TCHF	Dec. 31, 2008 TCHF
Assets				
Non-current assets				
Tangible assets	9	26,161	26,085	15,704
Intangible assets	10	58,827	60,347	43,766
Investment in associate	32	0	7	7
Other non-current receivables	14	349	168	168
Total non-current assets		85,337	86,607	59,645
Current assets				
Inventories	12	27,772	24,983	22,636
Trade receivables, net	13	20,353	17,122	7,555
Other current receivables	14	1,287	1,189	1,531
Income tax receivable		341	230	31
Accrued income and prepaid expenses	15	671	601	1,221
Cash and cash equivalents	16	23,578	16,204	13,968
Total current assets		74,002	60,329	46,942
Total assets		159,339	146,936	106,587
Equity				
Share capital	17	22,287	22,287	22,287
Reserves	17	43,516	34,013	24,782
Equity attributable to owners of the parent		65,803	56,300	47,069
Non-controlling interests		3,990	4,031	0
Total equity		69,793	60,331	47,069
Liabilities				
Non-current liabilities				
Borrowings	18	23,391	44,852	26,674
Retirement benefit obligations	19	5,138	5,391	5,135
Deferred tax liabilities	11	8,128	6,229	6,457
Provisions for other liabilities and charges	22	503	360	203
Other non-current liabilities	21	625	0	0
Total non-current liabilities		37,785	56,832	38,469
Current liabilities				
Trade payables		11,385	9,063	4,860
Other current liabilities	21	6,808	3,715	3,365
Accrued expenses and deferred income	20	7,482	5,455	3,358
Income tax liabilities		2,512	1,989	1,382
Borrowings	18	22,157	8,711	6,496
Provisions for other liabilities and charges	22	1,417	840	1,588
Total current liabilities		51,761	29,773	21,049
Total liabilities		89,546	86,605	59,518
Total equity and liabilities		159,339	146,936	106,587

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONSOLIDATED INCOME STATEMENT

	Note	2010 TCHF	2009 TCHF	2008 TCHF
Revenue		165,215	119,488	81,669
Cost of sales	23ff	-129,848	-103,022	-64,925
Gross profit		35,367	16,466	16,744
Distribution costs	23ff	-10,680	-8,373	-5,253
Administrative expenses	23ff	-10,658	-7,060	-4,878
Other operating income	25	2,402	2,483	637
Operating result (EBIT)		16,431	3,516	7,250
Financial income	27	1,782	409	717
Financial expense	27	-3,605	-2,050	-2,763
Financial result, net	27	-1,823	-1,641	-2,046
Profit before income tax		14,608	1,875	5,204
Income tax expense	11	-2,083	-1,083	-1,201
Profit for the year		12,525	792	4,003
Profit attributable to:				
Owners of the parent		12,648	829	4,003
Non-controlling interests		-123	-37	0
		CHF	CHF	CHF
Earnings per share (basic) in CHF	28	567.51	37.20	181.10
Earnings per share (diluted) in CHF	28	567.51	37.20	181.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2010 TCHF	2009 TCHF	2008 TCHF
Profit for the year		12,525	792	4,003
Other comprehensive income:				
Actuarial gains/(losses) and adjustments under IAS 19.58b	19	-203	69	-2,695
Deferred tax effect on actuarial (gains)/losses	11	40	-44	457
Currency translation differences		-2,982	-317	-299
Other comprehensive income for the year		-3,145	-292	-2,537
Total comprehensive income for the year		9,380	500	1,466
Attributable to:				
Owners of the parent		9,503	537	1,466
Non-controlling interests		-123	-37	0

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2010 TCHF	2009 TCHF	2008 TCHF
Profit before income tax		14,608	1,875	5,204
Adjustment for non-cash transactions				
Amortization on intangible assets	10	2,590	2,465	2,060
Depreciation on tangible assets	9	5,457	4,524	2,524
(Gains)/losses on disposal of assets	25/26	-184	-86	-2
Interest Income/(expense), net	27	1,501	1,490	1,665
Other non-cash (income)/expenses		-94	-12	1,701
Adjustments to retirement benefit obligation/prepaid cost	19	-199	-63	-306
Operating results before changes in net working capital		23,679	10,193	12,846
<u>Changes to net working capital</u>				
Changes to inventories		-3,214	7,000	-505
Changes to receivables		-4,420	-761	3,533
Changes to accrued income and prepaid expenses		-147	1,764	-1,013
Changes to liabilities		3,544	-3,207	-2,132
Changes to provisions for other liabilities and charges		82	-1,146	1,265
Changes to accrued expenses and deferred income		1,911	-853	283
Tax received		64	0	0
Tax paid		-2,020	-1,178	-1,112
Interest received		17	59	49
Interest paid		-1,098	-1,541	-1,714
Cash flows from operating activities		18,398	10,330	11,500
Acquisition of subsidiaries, net of cash acquired	31	378	4,061	-25,823
Acquisition of tangible assets		-2,777	-3,540	-1,506
Sale of tangible assets		1,056	350	2
Acquisition of intangible assets		-288	-636	-718
Cash flows from investing activities		-1,631	235	-28,045
Increase of capital		0	0	15,937
Proceeds of borrowings		0	0	9,111
Repayment of borrowings		-5,194	-7,710	-1,070
(Repayment)/proceeds in finance lease		-2,557	-479	1,162
Cash flows from financing activities		-7,751	-8,189	25,140
Net changes in cash and cash equivalents		9,016	2,376	8,595
Cash and cash equivalents at the beginning of the period		16,204	13,968	5,523
Effect of exchange rate gains/(losses)		-1,642	-140	-150
Cash and cash equivalents at the end of the period		23,578	16,204	13,968

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued and paid-in share capital	Capital reserves	Retained earnings	Foreign Currency transl. diff.	Non-controlling interests	Total
		TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balances at January 1, 2010	17	<u>22,287</u>	<u>29,594</u>	<u>5,035</u>	<u>-616</u>	<u>4,031</u>	<u>60,331</u>
Profit for the year				12,648		-123	12,525
Other comprehensive income:							
Actuarial gains/(losses) and adjustments under IAS 19.58b	19			-203			-203
Deferred tax effect on actuarial (gain)/loss				40			40
Currency translation differences					-2,982		-2,982
Total other comprehensive income for the year		<u>0</u>	<u>0</u>	<u>-163</u>	<u>-2,982</u>	<u>0</u>	<u>-3,145</u>
Total comprehensive income for the year		<u>0</u>	<u>0</u>	<u>12,485</u>	<u>-2,982</u>	<u>-123</u>	<u>9,380</u>
Non-controlling interests from acquisition	31					82	82
Balances at December 31, 2010		<u>22,287</u>	<u>29,594</u>	<u>17,520</u>	<u>-3,598</u>	<u>3,990</u>	<u>69,793</u>
	Note	Issued and paid-in share capital	Capital reserves	Retained earnings	Foreign Currency transl. diff.	Non-controlling interests	Total
		TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balances at January 1, 2009	17	<u>22,287</u>	<u>20,900</u>	<u>4,181</u>	<u>-299</u>	<u>0</u>	<u>47,069</u>
Profit for the year				829		-37	792
Other comprehensive income:							
Actuarial gains/(losses) and adjustments under IAS 19.58b	19			69			69
Deferred tax effect on actuarial (gain)/loss				-44			-44
Currency translation differences					-317		-317
Total other comprehensive income for the year		<u>0</u>	<u>0</u>	<u>25</u>	<u>-317</u>	<u>0</u>	<u>-292</u>
Total comprehensive income for the year		<u>0</u>	<u>0</u>	<u>854</u>	<u>-317</u>	<u>-37</u>	<u>500</u>
Additional equity from business combination under common control	31		8,694			4,068	12,762
Balances at December 31, 2009		<u>22,287</u>	<u>29,594</u>	<u>5,035</u>	<u>-616</u>	<u>4,031</u>	<u>60,331</u>
	Note	Issued and paid-in share capital	Capital reserves	Retained earnings	Foreign Currency transl. diff.	Non-controlling interests	Total
		TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balances at January 1, 2008	17	<u>22,100</u>	<u>0</u>	<u>2,416</u>	<u>0</u>	<u>0</u>	<u>24,516</u>
Profit for the year				4,003			4,003
Other comprehensive income:							
Actuarial gains/(losses) and adjustments under IAS 19.58b	19			-2,695			-2,695
Deferred tax effect on actuarial (gain)/loss				457			457
Currency translation differences					-299		-299
Total other comprehensive income for the year		<u>0</u>	<u>0</u>	<u>-2,238</u>	<u>-299</u>	<u>0</u>	<u>-2,537</u>
Total comprehensive income for the year		<u>0</u>	<u>0</u>	<u>1,765</u>	<u>-299</u>	<u>0</u>	<u>1,466</u>
Dividends (distributed)							0
Changes in share capital		187					187
Changes of legal reserves			15,937				15,937
Additional equity from business combination under common control	31		4,963				4,963
Balances at December 31, 2008		<u>22,287</u>	<u>20,900</u>	<u>4,181</u>	<u>-299</u>	<u>0</u>	<u>47,069</u>

In 2010, the additional non-controlling interests of TCHF 82 come from the acquisition of 95.12% of Winter AG, Unterschleissheim.

Additional equity from transaction under common control in 2009 was due to the business integration of CardFactory AG. CardFactory AG was a company under common control by the same shareholder (Ventizz Capital Fund III Holding Company) which controls exceet Group AG. The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of CardFactory AG is recorded as an adjustment to equity. No additional goodwill is created by this transaction (note 31.3). CardFactory AG has non-controlling interests of 30.44% and is holding own shares of 1.75% (note 34). 67.81% of the share capital went over to exceet Group AG as per June 30, 2009.

In 2008, additional equity from transaction under common control was due to the business integration of AEMtec GmbH, Berlin. AEMtec GmbH was a company under common control. The difference between the consideration given and the aggregate book value of assets and liabilities (as of the date of the transaction) of AEMtec GmbH was recorded as an adjustment to equity. No additional goodwill was created by this transaction.

The contribution (increase of legal reserves) to equity in 2008 of TCHF 15,937 (TCHF 16,100 less stamp duty of TCHF 163) was made by shareholders in relation to the acquisition of Mikrap to increase the equity of exceet Group AG.

The accompanying notes are an integral part of the consolidated financial statements.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information concerning the Company

exceet Group AG (or “the Company”, formerly called AEM Technologies Holding AG) and its subsidiaries (together the “Group” or the “exceet Group”) form an **Embedded Security House** for solving the highly complex challenges of modern electronics products and security solutions from all market segments.

exceet Group AG is an integrated international embedded solutions technology group specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of our customers and of specific sectors. The company serves customers in various sectors, including medical and healthcare, industrial automation, financial services, security, avionics, transportation, government as well as retail.

Currently, the business operations are organized into two business segments: Electronic Components Modules & Systems (“ECMS”) and ID Management & Systems (“IDMS”). The focus of the ECMS segment is on embedded technologies, while the IDMS segment offers a broad range of secure smart card- and reader-based solutions. In each of the two segments, exceet Group pursues a strategy of being an integrated solutions provider, offering to customers extensive and highly customized solutions along the entire value chain, ranging from the design and application development to small series or medium-size production and after sales services. exceet Group consists of a total of 13 direct and indirect subsidiaries with 11 operating facilities located in five European countries (the Republic of Austria (“Austria”), the Czech Republic, Germany, the Kingdom of the Netherlands (the “Netherlands”) and Switzerland), allowing the company to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of our customers.

ECMS Segment

In the ECMS segment, exceet Group develops and manufactures complex embedded electronic products with a strong focus on miniaturization, cost optimization for our customers and just-in-time availability. The ECMS segment is characterized by a wide variety of innovative embedded electronic solutions tailored to sector- and customer-specific requirements and sold to customers from a broad range of industries worldwide.

In particular, this segment provides the following products and services to the customers in the medical and healthcare, industrial automation, security and avionics industries:

- design, development, prototyping, production and testing of flexible, rigid-flexible, rigid and high density printed circuit boards (PCBs) for highly reliable miniaturized electronic applications, embedded electronic modules, systems and software;
- individual procurement and flexible logistics solutions; and
- after sales and lifecycle management services for our products (including the long-term storage of products and components for our customers, repair and replacing services and the redesign of products and components, for example, in cases of component changes).

The ECMS segment strategy is to constantly expand its portfolio of embedded electronic products. For example, the ECMS segment, in cooperation with two other business segments, is currently developing a PCB with an integrated RFID tag, allowing for tracking of all operations performed on the PCB.

IDMS Segment

In the IDMS segment, exceet Group focuses on designing, developing and manufacturing of contact and contactless smart cards, multi-functional cards, card readers as well as providing related services. With its focus on tailor-made, innovative solutions, highest quality and security standards, the company considers the IDMS segment to be one of the leading full-service providers for high-tech smart cards and readers in Europe.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

Products and services provided by the IDMS segment to the customers in the industry segments financial services, security, government, transportation, medical and healthcare as well as retail include:

- design, development and production of hybrid cards, dual-interface cards, multi-functional cards, contact chip cards, RFID cards and transponders, including customized chip software solutions, magnetic strip cards, scratch cards and other plastic cards;
- design, development and production of contact and contactless card readers and dual-interface readers; and
- card personalization, packaging and mailing services.

Pursuing its strategy of systematically enlarging the product and solutions offering, the IDMS segment is currently, inter alia, developing biometric smart cards for applications requiring a high level of security.

The Group operates in European countries as well as in the US and Asia/ Pacific.

The Group's parent company is exceet Group AG with its registered office at Marktplatz 4, 9004 St. Gallen, Switzerland. exceet Group AG was established as AEM Technologies Holding AG on October 23, 2006 and renamed on December 24, 2010 to exceet Group AG.

As per December 29, 2010, the Group acquired 95.12% of Winter AG, a company based in Unterschleissheim in Germany. Subsequently the Group acquired the remaining interests on February 16, 2011. Furthermore, the Group acquired 100% of the interests of Art of Packaging on December 31, 2010.

As per June 30, 2009, the Group performed a business combination under common control with CardFactory AG (renamed on January 24, 2011 into exceet Card Group AG), Paderborn, Germany. CardFactory AG was founded in 1985. It is one of the leading producers of smart cards and offers a high technology product range and security solutions. In 2006, CardFactory AG acquired PPC Card Systems GmbH (Paderborn, Germany), a leading producer of bank cards and NovaCard GmbH (Oldenburg, Germany), specialized in development and production of smart cards. In January 2009, CardFactory AG acquired Austrian VisionCard GmbH, a leading producer of smart and RFID cards with small and midsize volume production capabilities.

As per October 1, 2008, the Group performed a business combination under common control with AEMtec GmbH, Berlin. AEMtec GmbH is a leading manufacturer of multi-chip modules. The key strengths of AEMtec are development, production and sale of highly complex electronic microsystems and a distinctive engineering expertise in the miniaturization of electronics. It serves customers in the medical technology, industrial and data communication industries around the world.

As per March 1, 2008, the Group acquired control of ModuNorm GmbH, St. Gallen and its subsidiary Mikrap AG, Einsiedeln. Mikrap AG (operating company) develops, produces and distributes software and hardware for instrumentation and control technology, in particular for medical technology, industry and property automation applications. The key products and offerings of Mikrap include embedded modules and assemblies, embedded systems, PC control panels and units and also embedded software.

All subsidiaries are fully consolidated in the financial statements of the Group since the date of their acquisition.

The consolidated financial statements as of and for the year ended December 31, 2010 were approved by exceet Group AG's Board of Directors on April 7, 2011.

2 Adoption of new and revised accounting standards

(a) New and amended standards adopted by the Group

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. There has been no impact of IAS 27 (revised) on the current period.

(b) Standards, amendments and interpretations to existing standards effective in 2010, but not relevant to the Group

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2010, but are not currently relevant or have no significant impact for the Group:

IFRIC 17, 'Distributions of non-cash assets to owners'

IFRIC 18, 'Transfers of assets from customers'

IFRIC 9, 'Reassessment of embedded derivatives and IAS 31, Financial instruments: Recognition and measurement'

IFRIC 16, 'Hedges of a net investment in a foreign operation'

IAS 1 (amendment), 'Presentation of financial statements'

IAS 36 (amendment), 'Impairment of assets'

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions'

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2010 and have not been early adopted:

IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and liabilities and is likely to affect the Group's accounting for its financial assets and liabilities. The standard is not applicable until January 1, 2013 but is available for early adoption. The Group has not yet decided when to adopt IFRS 9.

Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from January 1, 2011.

'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after February 1, 2010.

'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning January 1, 2011. The amendments should be applied retrospectively to the earliest comparative period presented.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after July 1, 2010.

The Group is yet to assess the full impact of the new or amended standards.

3 Basis of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies at December 31 prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets at market value, in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB).

The consolidated financial statements include the financial statements of exceet Group AG as well as the subsidiaries over which exceet Group AG exercises control. A list of the significant companies which are consolidated is given in note 33.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities and contingent assets and liabilities at the date of the financial statements as well as revenue and expenses reported for the financial year. Actual results could differ from these estimates.

3.1 Principles of consolidation

3.1.1 Investments in subsidiaries

Investments in subsidiaries are fully consolidated. These are entities over which exceet Group AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than 50% of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. For the consolidated entities, 100% of assets, liabilities, income and expenses are included.

Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to the Group, and are excluded from the consolidation as of the date the Group ceases to have control over the company. Intercompany balances and transactions (including unrealized profit on intercompany inventories) are eliminated in full.

3.1.2 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition. See note 3.4.13 for the impairment of non-financial assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

3.2 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services. The operating business segments are based on management's internal reporting. The Group has two main business segments, representing different subsidiaries. The management board's decisions are based on the management reporting.

3.3 Currency translation

3.3.1 Reporting currency and functional currency

Items contained in the subsidiaries' financial statements are recognized in the currency of the primary economic environment in which the respective subsidiary operates ("Functional Currency"). Each entity within the Group determines its own Functional Currency. In principle, the Functional Currencies of the subsidiaries included in the consolidated financial statements are their respective local currencies.

The consolidated financial statements of the Group are prepared in Swiss Franc (CHF), the presentation currency of the exceet Group.

3.3.2 Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction between the Functional Currency and the foreign currency. All resulting foreign exchange differences are recognized in the subsidiaries' income statement for a given period and are included in the consolidated net income.

In the financial statements of the Group companies, monetary items denominated in foreign currencies are translated into the Functional Currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences are recorded in the income statement. Non-monetary assets and liabilities are translated at the historical rate.

3.3.3 Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a Functional Currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for balance sheet are translated at the closing rate at the balance sheet date;
- income and expenses for income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

3.4 Accounting and valuation principles

3.4.1 Cash and cash equivalents

This item includes cash in hand and cash at banks, time deposits and other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. The cash flow statement summarizes the movements on cash and cash equivalents.

3.4.2 Trade receivables and other receivables

Trade receivables and other receivables are recorded at original invoice amount, which is considered to be at fair value, less provision made for impairment of these receivables. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

3.4.3 Inventories

Purchased raw materials, components and finished goods are valued at the lower of cost or net realizable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

To evaluate cost, the standard cost method is applied, which approximates historical cost determined on an average basis. Standard costs take into account normal levels of materials, supplies, labor, efficiency and capacity utilization. Standard costs are regularly reviewed and, if necessary, revised in the light of current conditions. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Manufactured finished goods and work-in-process are valued at the lower of production cost or net realizable value. Provisions are established for slow-moving, obsolete and phase-out inventory.

3.4.4 Tangible assets

Tangible assets (land, buildings, plant and equipment) are valued at purchase cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the expected useful lives of the individual assets or asset categories. Where an asset comprises several parts with different useful lives, each part of the asset is depreciated separately over its applicable useful life.

Land is not depreciated. The applicable useful lives are:

- | | |
|-------------------------------------|---------------|
| • buildings | 30 – 50 years |
| • machinery & production facilities | 5 – 10 years |
| • equipment | 5 – 8 years |
| • vehicles | 4 years |
| • IT hardware | 3 years |

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy for assets that are owned. If there is reasonable certainty that the Group will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Subsequent expenditure on an item of tangible assets is capitalized at cost only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditures for repair and maintenance which do not increase the estimated useful lives of the related assets are recognized as an expense in the period in which they are incurred.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other (losses)/ gains – net in the income statement.

3.4.5 Leasing

Assets that are held under leases which effectively transfer to the Group the risks and rewards of ownership (finance leases) are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Minimum lease payments are the payments over the lease term that the Group is or can be required to make, excluding contingent rent, costs for services and taxes to be paid by exceet Group and reimbursed from the lessor, together with any amounts guaranteed by exceet Group or by a party related to exceet Group. Assets under financial leasing are depreciated over their estimated useful life. The corresponding financial obligations are classified as "current borrowings" or "non-current borrowings", depending on whether they are payable within or after 12 months.

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Group's benefit.

3.4.6 Intangible assets

Purchased intangible assets are measured initially at cost. Intangible assets are recognized when they are identifiable and controlled by the Group, when it is probable that future economic benefits to the Group can be expected from the asset and when cost can be measured reliably. With respect to intangible assets, it must first of all be determined whether they have finite or indefinite useful lives. Intangible assets with a finite useful life are amortized over their useful life and shall be tested for possible impairment whenever an indication exists that such intangible asset may be impaired. The amortization period and the amortization method are reviewed at the end of each financial year. Amortization of intangible assets with finite useful lives is recognized in the income statement under the expense category that corresponds to the intangible asset's function.

Purchased client base is amortized over a useful life of 15 years and purchased technology over a period of 5 years. Software is amortized over a useful life of 3 – 5 years, unless the software is part of a machine. In that case the useful life could depend on the machine or the technical equipment. For amortization the Group applies the straight-line method. Except for goodwill, the Group has no intangible asset with an indefinite useful life.

3.4.7 Business combinations and goodwill

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred the amount on non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

For business combinations under common control, the Group has chosen to apply the predecessor values method. The assets and liabilities of the acquiree are recorded using IFRS book values and the difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity has to be recorded as an adjustment to equity. No additional goodwill is created by the transaction.

3.4.8 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.4.9 Other financial liabilities

Other financial liabilities such as trade and other payables as well as accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.4.10 Provisions

A provision is only recorded if the Company has a present (legal or constructive) obligation arising from a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If a provision could not be recorded because not all of the aforementioned criteria were fulfilled, the relevant obligation is then disclosed as a contingent liability.

Provisions are reviewed at each balance sheet date and adjusted to the currently available best estimate. If the resulting interest rate effect is material, the provision is discounted to the present value of the estimated cash outflows necessary to settle the obligation. For provisions that are discounted, the increase in the provisions that reflect the time lapsed is recorded as interest expense. Where it is expected that another party will partly or fully settle the obligation that has been provided for, the reimbursement will only be recognized once it is virtually certain that the Group will receive the reimbursement.

3.4.11 Income taxes/ deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns and discounts and after eliminating of sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

The revenue of the Group comprises largely revenues for the sale of goods. In addition, the Group generates some revenues from the sale of services.

Revenue from the sale of goods

Revenue from the sale of produced goods and prototypes is recorded as income at the time of delivery. Trade discounts and returns are deducted. exceet Group AG typically sells their products through purchase orders under contracts that include fixed or determinable prices and that generally do not include a right of return or similar provisions or other significant post-delivery obligations. Delivery does not occur until products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the customer.

Revenue from sale of services

Sales of services are recognized in the accounting period in which the services are rendered.

3.4.13 Impairment of non financial assets

exceet Group AG assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset or, where it is not possible to estimate the recoverable amount of an individual asset, a cash-generating unit is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment of financial assets is described under the section on financial instruments.

3.4.14 Related parties

A party is related to an entity if the party directly or indirectly controls, is controlled by, or is under common control of the entity, has an interest in the entity that gives it significant influence over the entity, has joint control over the entity or is an associate or a joint venture of the entity. In addition, members of key management personnel of the entity or close members of their family are also considered related parties as are post-employment benefit plans for the benefit of employees of the entity.

3.4.15 Employee benefits (IAS 19)/ Retirement benefit obligations

The Group has defined benefit pension plans. A defined benefit plan is a pension plan which defines the pension obligation amount that the employee will receive at retirement age; the amount usually depends on one or more factors, such as age, period of service and salary.

Accounting and reporting of these plans are based on annual actuarial valuations. Defined benefit obligations and service costs are assessed using the projected unit credit method: the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees participating in these plans. The pension obligation is measured as the present value of the estimated future outflows using interest rates of high-quality corporate bonds which have terms to maturity approximating the terms of the related liability.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

Actuarial gains and losses, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences are recognized in the period in which they occur outside the income statement directly in the consolidated statement of comprehensive income.

3.4.16 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.4.17 Definition of non-GAAP measures

Earnings before interest and taxes (EBIT) is a subtotal which includes all operating income and expenses before addition/ deduction of financial income and expenses and income taxes.

Earnings before depreciation, amortization and interest and taxes (EBITDA) is a subtotal which includes all operating income and expenses before addition/ deduction of depreciation of fixed assets, amortization of intangibles, financial income and expenses and income taxes.

3.4.18 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

4 Financial assets

exceet Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and reclassifies them whenever their intention or ability changes. All purchases and sales are recognized on the trade date.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet (note 3.4.2).

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NOTES TO FINANCIAL STATEMENTS—(Continued)

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The Company does not hold any financial assets of the category “held-to-maturity”.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the income statement within other (losses)/ gains – net, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed as translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss; translation differences on non-monetary securities are recognized in the consolidated statement of comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in the consolidated statement of comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in the consolidated statement of comprehensive income are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the Group’s right to receive payments is established.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 3.4.2.

The fair value hierarchy has the following levels:

- a) Level 1: quoted prices in active markets for identical assets or liabilities
- b) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data.

5 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1.1 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.4.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

The Group has performed a sensitivity analysis based on reasonable possible shift:

- If the estimated gross margin at December 31, 2010 had been 5% (GS, NovaCard and The Art of Packaging) respectively 2% (ECR, Mikrap, VisionCard, PPC and Winter would due to the business model only accept a decline of 1 – 2%) lower than management's estimates at December 31, 2010 (for example, 31% instead of 33%), the estimated recoverable amount still exceeds the carrying amount.
- If the estimated pre-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates (for example, 11.33% instead of 10.3%), the estimated recoverable amount still exceeds the recoverable amount.

5.1.2 Provisions

The Group is exposed to different risks. Management assumes at the current time that the provisions cover the different risks of the Group. However it is possible that the situation will change and the costs are not covered with the existing provisions or the costs are lower than expected. Any arising changes can have effects on future periods. For details refer to note 22.

5.1.3 Retirement benefit obligation

Actuarial assumptions are made for the purpose of estimating future developments. These include estimates and assumptions relating to discount rates, the expected return on plan assets in individual countries and future wage trends. The actuary also uses statistical data such as mortality tables and staff turnover rates in the actuarial calculations he performs with a view to determining employee benefit obligations. If these parameters change due to a change in economic or market conditions, the subsequent result can deviate considerably from the actuarial report and calculation.

Over the medium term, this deviation can have a significant effect on income and expenses arising from employee benefits plan. The carrying amounts of the plan assets and liabilities carried in the balance sheet are set out in note 19.

5.1.4 Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provisions for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues on the basis of estimates of whether additional taxes are due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5.1.5 Earn out payment related to acquisition

The basis for the calculation of potential earn out payments is the budget. If the budget is not met, the earn out payment will differ from the estimated payment. Such adjustment will be recognized in the income statement. The maximum payment of the earn out will be TCHF 100 higher then recognized.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

5.2 Critical judgments in applying the entity's accounting policies

5.2.1 Inventories

For the valuation adjustment of inventories management uses judgment which is based on past experience. To determine the inventory provision the past experience turnover of the inventory is the basis for the calculation. For the determination of the net realizable value of the inventories management uses methods that require estimates.

5.2.2 Intangible and tangible assets

The Group regularly assesses the useful life of its intangible assets with definite useful life such as customer base, technology, brand or software. Such assessment is based on estimates which are substantially based on the continued benefit of the intangible asset for the Group.

The Group also regularly assesses the useful life of its tangible assets. Such assessment is made on estimates which are based on the technical efficiency, the applicability and the continued use of tangible assets.

The Group regularly assesses the useful life of its intangible assets with definite useful life if there are trigger events for a potential impairment. Such trigger events could be a change of the customer base, of technology or reputation damage of the brand or not anymore use of the software. Such assessment is based on estimates which are substantially based on the continued benefit of the intangible asset for the Group.

The Group also regularly assesses the useful life of its tangible assets life if there are trigger events for a potential impairment. Such assessment is made on estimates which are based on the technical efficiency, the applicability and the continued use of the tangible assets.

6 Financial risk management

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management system aims to identify key financial risks at an early juncture, both within the companies and at the Group level, and to implement appropriate countermeasures to minimize potential adverse effects on the Group's financial performance.

6.1.1 Market risk

Foreign exchange risk

The Group companies generate revenue mostly in Swiss Franc, Euro and to a smaller extend in US Dollar. Most of the equipment and the raw materials are purchased from European manufacturers or distributors in Euro. Concerning the Swiss companies the revenues generated do not cover the company's demand for Euros. Management has instructed the sales team to price goods in Euro where possible.

The revenue generated in US Dollars is generally used for the procurement of equipment, services or raw material and has usually balanced out in the past thus providing a natural hedge. With increasing sales in North America, the dollar exchange rate risk has moderately increased. Management has instructed the sales team to either price the products in Swiss Franc and Euro, to include exchange rate adjustments in frame contracts or to include an adequate foreign exchange margin in the pricing.

Generally foreign currencies are only kept if future payments are expected to be made in a particular currency. Foreign currency exposure is optimized by balancing the currency needs among the Group companies. With the addition of the business segment IDMS, the possibility to interexchange foreign currencies has improved within the Group and natural hedging procedures cover extensively the risks that occur. The Group does not enter into any hedging transactions.

The Group is exposed to foreign exchange risks especially with regards to the Euro and US Dollar.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

As of December 31, 2010, the profits for the period would have been TCHF 11 higher (2009: TCHF 93 / 2008: TCHF 14) if the Euro had weakened 10% against the Swiss Franc ceteris paribus. With a stronger Euro to the Swiss Franc exchange rate, profits would have been reduced by similar amounts. This effect is caused by foreign exchange gains/ losses of Euro denominated trade account receivables and trade account payables.

Similarly, as of December 31, 2010, the profits for the period would have been TCHF 10 lower (2009: TCHF 95 / 2008: TCHF 40) if the US dollar had weakened by 10% against the Swiss Franc ceteris paribus. With a stronger dollar, profits would have increased by the same extent, mainly due to foreign exchange gains/ losses of US dollar denominated trade account receivables and trade account payables.

Foreign exchange rates

The exchange rates relevant to the annual financial statements were:

	31.12.2010	Average 2010	31.12.2009	Average 2009	31.12.2008	Average 2008
1 EUR	1.25	1.38	1.49	1.51	1.49	1.59
1 USD	0.94	1.04	1.04	1.04	1.06	1.08

Price risk

The Group is not exposed to investment price risk; however, there is a material and raw material price risk for the production of electronic applications and smart cards.

ECMS Segment

PCB Production: With a high value add, the PCB factory has the lowest exposure to raw material prices of all Group companies. Raw material prices for epoxy and polyimide are mildly driven by the oil price, where as copper, nickel and gold are purchased at spot rates. However, the total cost component of copper is less than 4% of the average selling price and hence the influence on the margin is limited. In extreme cases, the subsidiary is able to renegotiate selling prices with the clients to adjust for raw material price hikes.

Material content in electronic modules and systems can be high and thus the associated price risk. The electronic component market is characterized by supply and demand. Coming from the downturn in 2009, many component suppliers were unable to adequately respond to increased market demand. Hence, the component market in 2010, was characterized by shortages, longer lead time and sometimes price increases.

The Group, in close cooperation with our customers, guarded effectively against these risks with long-term supplier contracts, increased inventory levels and the storage of discontinued parts. Higher component costs and the cost of increased inventories were shared with the clients whenever possible. Inventories are at all times covered by open purchase orders from our customers. As a result it was possible to largely satisfy deliveries to customers over the past financial year.

IDMS Segment

Most of the products produced and sold in the IDMS segment are highly customized as there are hardly comparable products available by potential competitors, the price risks are therefore minor. In addition, most of the products are produced using standard components.

Price increases for those components can be either avoided by changing to another supplier or they can be passed on to customers.

Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The duration for which the Group has fixed the interest rates depends on the current interest conditions in the market.

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For most of the long-term borrowings, the Group has capped LIBOR or EURIBOR based variable interest rates thus limiting the interest rate risk.

Covenants, as agreed with the lending banks, determine the interest rate margin over the LIBOR or EURIBOR. This margin largely depends on business performance of the Group (leverage ratio). Compliance with the financial covenants means that the Group has good credit standing with banks and access to further financing resources. In addition, banks provide credit lines also create scope for short-term financial manoeuvre.

If the interest rates of the different long-term borrowings would have been higher/lower by one percentage point, with all other variables held constant, the Group would have had more/less interest expenses in 2010, of TCHF 181 (2009: TCHF 240 / 2008: TCHF 267). The Group's borrowings at variable and fixed rates are denominated in CHF and EUR.

6.1.2 Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted for all significant relationships. Furthermore the risk on cash and cash equivalents is minimized by the consideration of different financial institutions. For the risk control assessment of customers, the credit quality of the customer takes into account its financial position, past experience and other factors. Based on the varying customer structure within the Group, no specific individual credit limits are defined by the Group. Accounts receivables are regularly monitored.

The table below shows the trade receivables balances of the 5 major counterparties of each subsidiary as per the balance sheet date. Management does not expect any losses from non-performance by these counterparties. For 2008, the figures show the rating of the 8 major counterparties of the consolidated Group. For the 2009 report, it was decided to make the change to show the ratings from a single entity perspective instead of the Group perspective, as this better corresponds to the risks of the Group.

	2010	2009	2008
Trade receivables			
Major counterparties with external credit rating			
AA+	67	0	0
AA-	1,781	1,011	1,209
A+	0	1,877	0
BBB	2,325	278	0
Total major counterparties with external credit rating	4,173	3,166	1,209
Major counterparties without external credit rating*			
Group 1	0	144	**
Group 2	8,810	7,497	**
Group 3	2,590	1,233	**
2008 not rated and not split into Group 1/2/3	0	0	2,626
Total major counterparties without external credit rating	11,400	8,874	2,626

Group 1 – new customers/related parties less than 6 months.

Group 2 – existing customers/related parties since more than 6 months with no defaults in the past.

Group 3 – existing customers/related parties since more than 6 months with some defaults in the past. All defaults were fully recovered.

* in 2009 and 2010 the major trade receivables balances with no external credit rating are split up in 3 groups

** customers not assigned to groups in the 2008 financial statements

Source for external credit rating: Standard&Poor's

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The table below shows the bank balances rated:

	2010 TCHF	2009 TCHF	2008 TCHF
Cash at bank and short-term bank deposits			
banks with external credit rating			
AAA	9,060	3,072	5,211
AA+	0	3,997	0
AA	1,924	0	0
AA-	1,709	1,543	0
A+	1,163	1,283	3,261
A	9,107	6,240	5,478
C	86	0	0
not rated	470	4	0
Total cash at bank and short-term bank deposits	23,519	16,139	13,950

Source for external credit rating: Standard&Poor's

6.1.3 Liquidity risk

Cash flow risk is categorized as very low as a result of the company's good liquidity position and strong cash flow generation.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group monitors its risk to a shortage of funds on a monthly basis. In addition, management monitors forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the exceet Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2010				
Bank borrowings	5,945	9,402	8,894	643
Other borrowings	17,319	2,640	2,817	121
Trade payables	11,385	0	0	0
Other payables	6,613	0	0	0
At 31 December 2009				
Bank borrowings	6,905	9,132	14,642	1,048
Other borrowings	3,037	2,639	10,306	8,741
Trade payables	9,063	0	0	0
Other payables	3,715	0	0	0
At 31 December 2008				
Bank borrowings	6,793	7,628	17,776	0
Other borrowings	754	792	2,586	0
Trade payables	4,860	0	0	0
Other payables	3,365	0	0	0

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

6.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt. During 2010, 2009 and 2008, the Group's strategy, was to maintain a gearing ratio of a maximum of 30%. The gearing ratios at December 31, 2010, 2009 and 2008 were as follows:

	2010	2009	2008
Bank borrowings	23,521	30,204	29,389
Finance lease	8,254	7,302	2,084
Total borrowings	31,775	37,506	31,473
Less: cash and cash equivalents (note 16)	-23,578	-16,204	-13,968
Net debt	8,197	21,302	17,505
Equity	69,793	60,331	47,069
Loan due to shareholder subordinated	13,773	16,057	1,697
Total equity and equity equivalents	83,566	76,388	48,766
Total capital	91,763	97,690	66,271
Gearing ratio	9%	22%	26%

The decrease in gearing ratio in 2010 resulted from the repayment of loans and the increase of cash from operating business. The decrease in the gearing ratio during 2009 resulted primarily from the positive result of the financial year, from the active working capital management and from the transfer of the ownership of exceet Card Group, without any payment consideration.

6.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2010.

2010

in TCHF	Level 1	Level 2	Level 3	Total
December 31				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				
Interest cap		25		25
Total		25		25

in TCHF	Level 1	Level 2	Level 3	Total
December 31				
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				
Interest cap		90		90
Earn out-liability			820	820
Total		90	820	910

2009

in TCHF	Level 1	Level 2	Level 3	Total
December 31				
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				
Interest cap		20		20
Total		20		20

2008

in TCHF	Level 1	Level 2	Level 3	Total
December 31				
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				
Interest cap		56		56
Total		56		56

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

7 Segment information

The Group has two main business segments, Electronic Components Modules & Systems ("ECMS") and ID Management & Systems ("IDMS"), representing different subsidiaries. The segment information is presented on the same basis as for internal reporting purposes. In addition, the segments are reported in a manner that is consistent with the internal reporting provided to the Management Board. In addition, the Group has a third segment "Corporate and other" for reporting purposes which only includes the investment companies.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

exceet Group AG, St. Gallen, Switzerland, was founded in 2006 by Ventizz Capital Partners Advisory AG, Düsseldorf, Germany. exceet Group is a group of two business segments (subgroups) with eleven independent companies in the field of embedded security solutions successfully acting in their respective market segments and form joint intercompany teams to serve the customer with turn-key solutions. Each individual company acts as a profit centre and inherits core competences:

The companies are grouped as following into the two business segments.

Business Segment ECMS:

- Mikrap
- ECR
- GS Swiss PCB
- AEMtec

Business Segment IDMS:

- VisionCard / idVation
- PPC / PPC B.V.
- NovaCard
- Winter
- The Art of Packaging

Corporate and others:

- exceet Group AG
- CardFactory AG

The segment results are as follows:

in TCHF	ECMS			IDMS			Corporate and others			Inter-segment Elimination			Group consolidated		
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
External revenue	109,860	87,834	81,669	55,355	31,654	n/a	0	0	0				165,215	119,488	81,669
Inter-segment revenue	3	0	0	2	0	n/a	418	399	0	-423	-399	0	0	0	0
Total revenue	109,863	87,834	81,669	55,357	31,654	n/a	418	399	0				165,215	119,488	81,669
Operating result (EBITDA)	23,690	9,206	11,847	4,714	2,809	n/a	-3,927	-1,510	-13				24,477	10,505	11,834
Depreciation and amortization	-5,890	-5,863	-4,584	-2,117	-1,121	n/a	-39	-5	0				-8,046	-6,989	-4,584
Operating result (EBIT)	17,800	3,343	7,263	2,597	1,688	n/a	-3,966	-1,515	-13				16,431	3,516	7,250
Financial income													1,782	409	717
Financial expenses													-3,605	-2,050	-2,763
Financial result – net (Note 27)													-1,823	-1,641	-2,046
Profit before income tax													14,608	1,875	5,204
Income tax expense													-2,083	-1,083	-1,201
Profit for the year													12,525	792	4,003
Non current Assets	57,244	58,906	59,645	28,018	27,701	n/a	75	0	0				85,337	86,607	59,645
Current Assets	49,528	38,550	45,384	20,473	20,854	n/a	4,001	925	1,558				74,002	60,329	46,942
Liabilities	33,227	27,202	31,102	22,158	18,325	n/a	34,161	41,078	28,416				89,546	86,605	59,518
Capital expenditure tangible assets	5,171	4,204	1,900	1,422	2,284	n/a	4	2	0				6,597	6,490	1,900
Capital expenditure intangible assets	208	372	718	62	176	n/a	17	88	0				287	636	718
Depreciation tangible assets (note 9)	3,452	3,446	2,524	1,917	1,076	n/a	4	2	0				5,373	4,524	2,524
Impairment tangible assets (note 9)	0	0	0	83	0	n/a	0	0	0				83	0	0
Amortization intangible assets (note 10)	2,438	2,418	2,060	117	47	n/a	35	0	0				2,590	2,465	2,060
Impairment of goodwill (note 10)	0	0	0	0	0	n/a	0	0	0				0	0	0

EXCELT GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

In 2010, 9.82 % (2009: 15.98% / 2008: 26.2%) of total revenue of the Group was generated with one client from the ESMS Sector. With no other client does the Group generate more than 10% of the revenue.

In addition, a breakdown of sales is presented by country of end customer, which shows the geographic segments according to the country in which the products are used. The assets and capital expenditure is allocated based on where the assets are located. The non-current assets can geographically be allocated to Switzerland (2010: TCHF 54,869 / 2009: TCHF 56,279 / 2008: TCHF 56,251), Germany (2010: TCHF 13,744 / 2009: TCHF 11,873 / 2008: TCHF 3,394), Netherlands (2010: TCHF 775 / 2009: TCHF 1,061 / 2008: none), Austria (2010: TCHF 14,153 / 2009: TCHF 17,394 / 2008: none) and Czech Republic (2010: TCHF 1,796 / 2009: none / 2008: none).

	Switzerland TCHF	Europe TCHF	USA /Asia TCHF	Total TCHF
Revenues 2010	50,369	105,470	9,376	165,215
<i>in %</i>	<u>30</u>	<u>64</u>	<u>6</u>	<u>100</u>
Revenues 2009	43,680	70,015	5,793	119,488
<i>in %</i>	<u>37</u>	<u>58</u>	<u>5</u>	<u>100</u>
Revenues 2008	55,717	22,655	3,297	81,669
<i>in %</i>	<u>68</u>	<u>28</u>	<u>4</u>	<u>100</u>

Within the revenues of Europe Germany has a part of 43% (2009: 45% / 2008: 44%). The rest is a variety of different countries in Europe.

8 Financial instruments by category

2010 in TCHF	Loans and receivables	Asset at fair value through profit and loss	Total
December 31			
Assets as per balance sheet			
Derivative financial instruments		25	25
Trade and other receivables excluding prepayments	22,305		22,305
Cash and cash equivalents	<u>23,578</u>	<u>—</u>	<u>23,578</u>
Total	45,883	25	45,908
	Other financial Liabilities at amortized cost	Liabilities at fair value through profit and loss	Total
in TCHF			
Liabilities as per balance sheet			
Borrowings (excluding finance lease liabilities)	37,294		37,294
Finance lease liabilities	8,254		8,254
Derivative financial instruments		90	90
Trade and other payables excluding statutory liabilities	<u>17,908</u>	<u>—</u>	<u>17,908</u>
Total	63,456	90	63,546

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

2009 in TCHF	Loans and receivables	Asset at fair value through profit and loss	Total
December 31			
Assets as per balance sheet			
Trade and other receivables excluding prepayments	18,709		18,709
Cash and cash equivalents	<u>16,204</u>	<u>—</u>	<u>16,204</u>
Total	34,913	0	34,913

	Other financial Liabilities at amortized cost	Liabilities at fair value through profit and loss	Total
in TCHF			
Liabilities as per balance sheet			
Borrowings (excluding finance lease liabilities)	46,261		46,261
Finance lease liabilities	7,302		7,302
Derivative financial instruments		20	20
Trade and other payables excluding statutory liabilities	<u>12,758</u>	<u>—</u>	<u>12,758</u>
Total	66,321	20	66,341

2008 in TCHF	Loans and receivables	Asset at fair value through profit and loss	Total
December 31			
Assets as per balance sheet			
Trade and other receivables excluding prepayments	9,285		9,285
Cash and cash equivalents	<u>13,968</u>	<u>—</u>	<u>13,968</u>
Total	23,253	0	23,253

	Other financial Liabilities at amortized cost	Liabilities at fair value through profit and loss	Total
in TCHF			
Liabilities as per balance sheet			
Borrowings (excluding finance lease liabilities)	31,086		31,086
Finance lease liabilities	2,084		2,084
Derivative financial instruments		56	56
Trade and other payables excluding statutory liabilities	<u>8,169</u>	<u>—</u>	<u>8,169</u>
Total	41,339	56	41,395

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

9 Tangible assets

2010 in TCHF	Land & Building	Production Facilities & machinery	Equipment	Vehicles	IT Hardware	Assets under construction	Total
Acquisition costs							
As of January 1, 2010	13,149	48,607	2,805	233	1,778	422	66,994
Acquisition of subsidiaries (Note 31)	537	998	54	4	1	0	1,594
Additions	184	5,324	460	51	308	270	6,597
Disposals	-1,342	-2,850	-43	-3	-74	0	-4,312
Transfer to other category	0	419	3	0	0	-422	0
Currency translation differences	-1,045	-5,824	-184	-20	-243	0	-7,316
As of December 31, 2010	11,483	46,674	3,095	265	1,770	270	63,557
Accumulated depreciation							
As of January 1, 2010	-5,382	-32,697	-1,200	-158	-1,472	0	-40,909
Additions	-543	-4,147	-415	-49	-219	0	-5,373
Disposals	743	2,512	31	3	72	0	3,361
Transfer to other category	0	1	-1	0	0	0	0
Currency translation differences	735	4,426	139	17	208	0	5,525
As of December 31, 2010	-4,447	-29,905	-1,446	-187	-1,411	0	-37,396
Accumulated impairment							
As of January 1, 2010	0	0	0	0	0	0	0
Additions	0	-71	-12	0	0	0	-83
Disposals	0	71	12	0	0	0	83
As of December 31, 2010	0	0	0	0	0	0	0
Net book value as of January 1, 2010	7,767	15,910	1,605	75	306	422	26,085
Net book value as of December 31, 2010	7,036	16,769	1,649	78	359	270	26,161
2009 in TCHF							
Acquisition costs							
As of January 1, 2009	8,655	21,232	1,380	106	803	0	32,176
Acquisition of subsidiaries (Note 31)	4,483	23,953	794	98	913	0	30,241
Additions	127	5,428	728	41	166	422	6,912
Disposals	-3	-1,393	-76	-9	-76	0	-1,557
Currency translation differences	-113	-613	-21	-3	-28	0	-778
As of December 31, 2009	13,149	48,607	2,805	233	1,778	422	66,994
Accumulated depreciation							
As of January 1, 2009	-2,645	-12,724	-448	-38	-617	0	-16,472
Acquisition of subsidiaries (Note 31)	-2,240	-18,142	-543	-84	-775	0	-21,784
Additions	-562	-3,463	-280	-40	-179	0	-4,524
Disposals	2	1,165	56	1	76	0	1,300
Currency translation differences	63	467	15	3	23	0	571
As of December 31, 2009	-5,382	-32,697	-1,200	-158	-1,472	0	-40,909
Net book value as of January 1, 2009	6,010	8,508	932	68	186	0	15,704
Net book value as of December 31, 2009	7,767	15,910	1,605	75	306	422	26,085

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

2008 in TCHF	Land & Building	Production Facilities & machinery	Equipment	Vehicles	IT Hardware	Total
Acquisition costs						
As of January 1, 2008	6,000	7,704	389	106	177	14,376
Acquisition of subsidiaries (Note 31)	2,783	13,324	400	0	572	17,079
Additions	20	1,181	612	0	86	1,899
Disposals	0	-27	0	0	-1	-28
Transfer to other category	0	-226	0	0	0	-226
Currency translation differences	-148	-724	-21	0	-31	-924
As of December 31, 2008	8,655	21,232	1,380	106	803	32,176
Accumulated depreciation						
As of January 1, 2008	-188	-1,431	-72	-16	-50	-1,757
Acquisition of subsidiaries (Note 31)	-2,419	-9,819	-248	0	-469	-12,955
Additions	-174	-2,039	-163	-22	-126	-2,524
Disposals	7	0	19	0	0	26
Currency translation differences	129	565	16	0	28	738
As of December 31, 2008	-2,645	-12,724	-448	-38	-617	-16,472
Net book value as of January 1, 2008	5,812	6,273	317	90	127	12,619
Net book value as of December 31, 2008	6,010	8,508	932	68	186	15,704

Production facilities and machinery includes the following amounts where the Group is a lessee under a finance lease:

Production facilities and machinery	2010 TCHF	2009 TCHF	2008 TCHF
Cost – capitalized finance leases	14,048	10,604	3,532
Accumulated depreciation	-3,621	-2,024	-742
Net book amount	10,427	8,580	2,790

The Group leases various production facilities and machinery under non-cancellable finance lease agreements. The lease terms are 4 to 5 years. The Group purchased fixed assets through finance lease arrangements of TCHF 4,044 (2009 TCHF 3,372 / 2008: TCHF 393).

Depreciation expense of TCHF 4,413 (2009: TCHF 3,690 / 2008: TCHF 2,066) has been charged in “cost of sales”, TCHF 205 (2009: TCHF 99 / 2008: TCHF 76) in “administrative expenses” and TCHF 755 (2009: TCHF 735 / 2008: TCHF 382) in “distribution costs”.

Fire insurance values

	2010 TCHF	2009 TCHF	2008 TCHF
Buildings, machinery and equipment	118,457	99,828	62,186

Bank borrowings (note 18) are secured on land and buildings for the value of TCHF 5,355 (2009: TCHF 5,482 / 2008: TCHF 5,658). Further, TCHF 2,034 (2009: TCHF 2,184 / 2008: TCHF 1,918) machinery and equipment are pledged for borrowing facilities.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

10 Intangible assets

2010

in TCHF

	Goodwill	Customer Base	Technology	Brand	Software	Total
Acquisition costs						
As of January 1, 2010	38,920	18,890	4,767	1,572	3,063	67,212
Acquisition of subsidiaries (note 31)	2,172	1,658	0	307	96	4,233
Additions	0	0	0	3	285	288
Disposals	-322	0	0	0	-11	-333
Currency translation differences	-2,973	-46	0	-21	-313	-3,353
As of December 31, 2010	37,797	20,502	4,767	1,861	3,120	68,047
Accumulated amortization						
As of January 1, 2010	0	-3,183	-1,630	-321	-1,731	-6,865
Additions	0	-1,259	-652	-159	-520	-2,590
Disposals	0	0	0	0	7	7
Currency translation differences	0	0	0	9	219	228
As of December 31, 2010	0	-4,442	-2,282	-471	-2,025	-9,220
Net book value as of January 1, 2010	38,920	15,707	3,137	1,251	1,332	60,347
Net book value as of December 31, 2010	37,797	16,060	2,485	1,390	1,095	58,827

2009

in TCHF

	Goodwill	Customer Base	Technology	Brand	Software	Total
Acquisition costs						
As of January 1, 2009	20,580	18,890	4,767	1,501	1,949	47,687
Acquisition of subsidiaries (note 31)	18,754	0	0	72	716	19,542
Additions	48	0	0	0	588	636
Disposals	0	0	0	0	-169	-169
Currency translation differences	-462	0	0	-1	-21	-484
As of December 31, 2009	38,920	18,890	4,767	1,572	3,063	67,212
Accumulated amortization						
As of January 1, 2009	0	-1,923	-982	-125	-891	-3,921
Acquisition of subsidiaries (note 31)	0	0	0	-40	-618	-658
Additions	0	-1,260	-648	-158	-399	-2,465
Disposals	0	0	0	0	165	165
Currency translation differences	0	0	0	2	12	14
As of December 31, 2009	0	-3,183	-1,630	-321	-1,731	-6,865
Net book value as of January 1, 2009	20,580	16,967	3,785	1,376	1,058	43,766
Net book value as of December 31, 2009	38,920	15,707	3,137	1,251	1,332	60,347

2008

in TCHF

	Goodwill	Customer Base	Technology	Brand	Software	Total
Acquisition costs						
As of January 1, 2008	9,187	10,484	1,755	0	0	21,426
Acquisition of subsidiaries (note 31)	11,393	8,406	3,012	1,501	1,062	25,374
Additions	0	0	0	0	718	718
Transfer to other category	0	0	0	0	226	226
Currency translation differences	0	0	0	0	-57	-57
As of December 31, 2008	20,580	18,890	4,767	1,501	1,949	47,687
Accumulated amortization						
As of January 1, 2008	0	-757	-380	0	0	-1,137
Acquisition of subsidiaries (note 31)	0	0	0	0	-768	-768
Additions	0	-1,166	-602	-125	-167	-2,060
Currency translation differences	0	0	0	0	44	44
As of December 31, 2008	0	-1,923	-982	-125	-891	-3,921
Net book value as of January 1, 2008	9,187	9,727	1,375	0	0	20,289
Net book value as of December 31, 2008	20,580	16,967	3,785	1,376	1,058	43,766

The amortization expense of TCHF 2,590 (2009 TCHF 2,465 / 2008 TCHF 2,060) has been charged in “cost of sales”.

EXCEET GROUP AG
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Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) which belong to the two business segments. A summary of the goodwill allocation is presented below:

	Goodwill as per 31.12.2010	Goodwill as per 31.12.2009	Goodwill as per 31.12.2008
	TCHF	TCHF	TCHF
ECR	4,071	4,071	4,071
GS	5,116	5,116	5,116
Mikrap	11,119	11,441	11,393
PPC	3,522	4,202	—
Novacard	1,097	1,309	—
Visioncard	10,714	12,781	—
Winter	471	—	—
The Art of Packaging	1,687	—	—
Total	37,797	38,920	20,580

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rate of 1% (2009: 1% / 2008: 1%).

The estimated recoverable amount for ECR, GS, Mikrap, PPC, NovaCard, VisionCard, Winter and The Art of Packaging exceeds the carrying amount of the unit. Management considers that it is not reasonably possible for the assumed gross margin to change so significantly as to eliminate this excess.

The following discount rates are used for value-in-use calculations for each CGU:

- Switzerland: ECR, GS, Mikrap: 9.16%
- Europe: PPC, NovaCard, VisionCard, Winter, The Art of Packaging: 9.95%

See also note 5.1 for the impact of changes in estimates. These assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the market development (Management medium-term planning). The compounded average growth rates (CAGR) used is consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. To meet the requirements of the region of the Cru's, two different discount rates have been selected (2010: Switzerland – 9.16%; Europe – 9.95% / 2009: Switzerland – 9.41%; Europe – 10.21% / 2008: Switzerland – 10.3%; Europe – n/a). The gross margin varies depending on the operating function of the companies.

11 Deferred taxes/ Income taxes

Income taxes

	2010	2009	2008
	TCHF	TCHF	TCHF
Total current income tax	-2907	-1375	-1483
Total deferred tax	824	292	282
Total income tax recognized in income statement	-2,083	-1,083	-1,201
Total deferred tax directly recognized in other comprehensive income	40	-44	457
Total income tax (expense)/income	-2,043	-1,127	-744

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

Reconciliation of tax expense

	2010 TCHF	2009 TCHF	2008 TCHF
Profit before tax	14,608	1,875	5,204
Average of domestic tax rates	21.38 %	25.39 %	20.99 %
Tax calculated at average domestic tax rates applicable to profits in the respective jurisdictions	-3,123	-476	-1,092
Non-taxable income and expenses	6	0	0
Non-deductible expenses	-25	-19	-155
Unrecognized tax loss carryforwards	-209	-666	-115
Used unrecognized tax loss carryforwards	662	0	0
Effect of changes in local tax rates	589	16	0
Tax effect from prior years	17	62	161
Total income tax (current & deferred)	-2,083	-1,083	-1,201
in % of earnings before tax	14.26 %	57.76 %	23.08 %

The decrease of the average of domestic tax rates is a result of the decrease of tax rates mainly in Switzerland. In prior year, the increase of the average of domestic tax rates was the result of the change in the mix of the profit and loss of the different Group companies. Furthermore, the acquisition of the new companies in 2009 influenced the average of domestic tax rates.

Tax provisions

The gross movement on the deferred income tax accounts is as follows:

	2010 TCHF	2009 TCHF	2008 TCHF
Beginning of period, January 1	-6,229	-6,457	-4,178
Acquisition of subsidiaries (note 31)	-2,887	-19	-3,017
Income statement charge	824	292	282
Directly recognized in other comprehensive income	40	-44	457
Currency translation difference	124	-1	-1
End of year, December 31	-8,128	-6,229	-6,457

Composition of deferred taxes in the balance sheet

Deferred tax assets and liabilities are presented on a net basis if a legally enforceable right exists to offset current tax receivables against tax payables and if the deferred taxes exist in the same tax jurisdiction. The following amounts were offset:

	2010 TCHF	2009 TCHF	2008 TCHF
Deferred tax liabilities:			
Deferred tax liabilities, realized after 12 months	-7,421	-5,728	-4,719
Deferred tax liabilities, realized within 12 months	-2,319	-2,231	-2,596
Total deferred tax liabilities	-9,740	-7,959	-7,315
	TCHF	TCHF	TCHF
Deferred tax assets:			
Deferred tax assets, realized after 12 months	1,492	1,226	738
Deferred tax assets, realized within 12 months	120	504	120
Total deferred tax assets	1,612	1,730	858
Total deferred tax	-8,128	-6,229	-6,457

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

The changes in deferred tax assets and liabilities in the current year, without taking into account the netting of open items within the same tax jurisdiction, are determined as follows:

2010							
Deferred tax liabilities	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2010	-3,647	-1,901	-2,096	-175	-8	-132	-7,959
Acquisition of subsidiaries (note 31)	-531	0	0	0	0	-2,448	-2,979
Disposal of subsidiaries (note 31)	0	0	0	0	0	0	0
Movements via income statement	357	164	-126	0	6	-7	394
Movements via equity	0	0	0	0	0	0	0
Result of changed tax rate	393	68	117	14	0	7	599
Currency translation differences	15	93	21	9	-1	68	205
December 31, 2010	-3,413	-1,576	-2,084	-152	-3	-2,512	-9,740
Deferred tax assets	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2010	0	39	0	19	677	995	1,730
Acquisition of subsidiaries (note 31)	0	92	0	0	0	0	92
Disposal of subsidiaries (note 31)	0	0	0	0	0	0	0
Movements via income statement	0	-8	0	-3	17	-146	-140
Movements via equity	0	0	0	0	40	0	40
Result of changed tax rate	0	-7	0	6	-20	0	-21
Currency translation differences	0	-2	0	-3	-9	-75	-89
December 31, 2010	0	114	0	19	705	774	1,612
2009							
Deferred tax liabilities	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2009	-3,975	-744	-2,273	-236	0	-87	-7,315
Acquisition of subsidiaries (note 31)	0	-752	0	-58	-2	-3	-815
Movements via income statement	328	-419	178	118	-5	-42	158
Movements via equity	0	0	0	0	0	0	0
Currency translation differences	0	14	-1	1	-1	0	13
December 31, 2009	-3,647	-1,901	-2,096	-175	-8	-132	-7,959
Deferred tax assets	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2009	0	80	0	0	778	0	858
Acquisition of subsidiaries (note 31)	0	0	0	95	0	701	796
Movements via income statement	0	-41	0	-73	-57	305	134
Movements via equity	0	0	0	0	-44	0	-44
Currency translation differences	0	0	0	-3	0	-11	-14
December 31, 2009	0	39	0	19	677	995	1,730
2008							
Deferred tax liabilities	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2008	-1,914	-726	-1,683	-68	0	-93	-4,484
Acquisition of subsidiaries (note 31)	-2,438	0	-640	-200	0	-33	-3,311
Movements via income statement	377	-18	50	32	0	39	480
Movements via equity	0	0	0	0	0	0	0
December 31, 2008	-3,975	-744	-2,273	-236	0	-87	-7,315
Deferred tax assets	Intangible assets	Tangible assets	Inventories	Provision	Pension liability	Others	Total
January 1, 2008	0	0	0	36	270	0	306
Acquisition of subsidiaries (note 31)	0	80	0	0	121	93	294
Movements via income statement	0	0	0	-36	-70	-93	-199
Movements via equity	0	0	0	0	457	0	457
December 31, 2008	0	80	0	0	778	0	858

One of the Group companies has uncapitalized tax losses of CHF 1.2 Mio. (2009: CHF 2.5 Mio. / 2008: CHF 0.5 Mio.) as it is uncertain that the company can utilize them (unlimited expiry).

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NOTES TO FINANCIAL STATEMENTS—(Continued)

12 Inventories

	2010 TCHF	2009 TCHF	2008 TCHF
Raw materials	16,735	14,962	12,581
Work in progress and semi-finished products	8,642	6,423	4,680
Finished goods	6,140	7,143	8,936
Inventory provision	-3,745	-3,545	-3,561
Total	27,772	24,983	22,636

The cost of inventories recognized as expenses and included in “cost of sales” amounted to TCHF 81,407 (2009: TCHF 62,750 / 2008: TCHF 39,753).

The inventory from prior year includes no pledged inventories.

13 Trade receivables, net

	2010 TCHF	2009 TCHF	2008 TCHF
Trade accounts receivable, gross			
– due to third parties	20,693	17,362	7,466
– due to related party	0	130	205
Provision for impairment	-340	-370	-116
Total	20,353	17,122	7,555

As of December 31, 2010, trade receivables of TCHF 367 (2009: TCHF 925 / 2008: TCHF 116) were impaired and provided for. The amount of the total provision for these receivables amounts to TCHF 340 as of December 31, 2010 (2009: TCHF 370 / 2008: TCHF 116). In total there are TCHF 283 (2009: TCHF 1,517 / 2008: none) insured, thereof TCHF 261 (2009: TCHF 904 / 2008: none) receivables which are not due.

The ageing of the impaired receivables (referred to the due date of the receivables) is as follows:

	2010 TCHF	2009 TCHF	2008 TCHF
not due	12	0	0
past due upto 3 months	0	0	2
past due 3 to 6 months	33	509	20
past due 6 to 12 months	56	135	28
past due over 12 months	266	281	66
Total	367	925	116

As of December 31, 2010, trade receivables of TCHF 4,051 (2009: TCHF 4,455 / 2008: TCHF 2,500) were past due up to 3 months but were not impaired.

The following table shows the movements of the provision for impairment for trade receivables:

	2010 TCHF	2009 TCHF	2008 TCHF
At January 1	370	116	28
Acquisition of subsidiaries (note 31)	12	89	31
Charged/(credited) to the income statement	0	0	
– additional provisions	151	293	57
– unused amounts reversed	-66	-94	0
Used during year	-23	-26	0
Currency translation differences	-104	-8	0
At December 31	340	370	116

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NOTES TO FINANCIAL STATEMENTS—(Continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency	2010 TCHF	2009 TCHF	2008 TCHF
CHF	7,247	6,505	4,494
EUR	12,150	9,727	2,424
USD	1,186	1,187	753
GBP	89	0	0
PLN	21	0	0
AED	0	73	0
Total	20,693	17,492	7,671

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Accounts receivables in the amount of TCHF 9,778 (2009: TCHF 6,933 / 2008: TCHF 2,365) are pledged (note 30).

14 Other receivables

	2010 TCHF	2009 TCHF	2008 TCHF
Short-term deposit	123	157	120
Social securities	88	97	38
Payables with debit balances	324	114	0
Interest	9	0	0
Interest cap	25	0	0
Value added tax / withholding tax	364	174	310
Payments in advance	25	3	192
Payments in advance regarding transaction	0	0	600
Receivable from purchase of machinery and equipment	0	223	0
Provisions from suppliers	0	193	0
Others	329	228	271
Total other current receivables	1,287	1,189	1,531
Long-term deposit	349	168	168
Total other non-current receivables	349	168	168

Interest cap: the positive replacement value is recorded as financial assets at fair value through profit and loss (note 21/ 27). Other receivables in the amount of TCHF 429 (2009: TCHF 319 / 2008: TCHF 269) are pledged (note 30).

15 Accrued income and prepaid expenses

	2010 TCHF	2009 TCHF	2008 TCHF
Insurance companies	170	131	1,049
Social costs	123	184	0
Rents	60	41	0
Claims	0	40	0
Maintenance contracts	85	82	0
Credit note for goods	102	0	0
Others	131	123	172
Total	671	601	1,221

Accrued income and prepaid expenses primarily comprise prepaid expenses which will be reflected in expenses.

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NOTES TO FINANCIAL STATEMENTS—(Continued)

16 Cash and cash equivalents

	2010 TCHF	2009 TCHF	2008 TCHF
Cash at bank and on hand	22,824	15,716	13,968
Short-term bank deposits	754	488	0
Total	23,578	16,204	13,968

The risk that these assets will be subject to changes in value is minimal. The short-term bank deposit is a time deposit available within 48 hours.

17 Equity

For changes in equity, please refer to the consolidated statement of changes in equity.

- **Share capital**

The share capital of exceet Group AG entered in the commercial register amounts to CHF 22,287,000 and has been fully paid in. The share capital is divided into 22,287 registered shares of CHF 1,000 each.

- **Capital Reserves**

The capital reserves comprise the increase of legal reserves by shareholders or increases in capital relating to acquisitions under common control.

- **Retained earnings/ losses**

The retained earnings comprise the accumulated and unappropriated earnings/ losses.

- **Foreign exchange translation difference**

The foreign exchange translation difference shows the translation differences recognized in the balance sheet from the translation of subsidiaries in foreign currencies.

Number of shares as at December 31	2010	2009	2008
Issued at January 31	22,287	22,287	22,100
Issued during the year	0	0	187
Issued at December 31, fully paid in	22,287	22,287	22,287

The capital increase in 2008 of TCHF 187 is due to a conversion of a liability to shareholders.

18 Borrowings

	2010 TCHF	2009 TCHF	2008 TCHF
Non-current			
Bank borrowings	18,120	23,951	23,515
Finance lease liabilities (Note 29.1)	5,271	4,844	1,462
Other loans	0	16,057	1,697
	23,391	44,852	26,674
Current			
Bank borrowings	5,401	6,253	5,874
Finance lease liabilities (Note 29.1)	2,983	2,458	622
Other loans	13,773	0	0
	22,157	8,711	6,496
Total borrowings	45,548	53,563	33,170

Bank borrowings mature until 2018. Bank borrowings are denominated mainly in Swiss Franc and some in Euro. Under the main facility agreement, the bank has the right for an extraordinary termination with the consequence of immediate repayment of outstanding debt thereunder and payment of a prepayment penalty, if,

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NOTES TO FINANCIAL STATEMENTS—(Continued)

inter alia, a certain leverage ratio (defined as net debt divided by EBITDA) is exceeded or certain operation measures are not met. The bank covenants were kept. The nominal value of the bank borrowings is TCHF 23,521 (2009: TCHF 30,204 / 2008: TCHF 29,389).

The total bank borrowings are secured liabilities. Bank borrowings in the amount of TCHF 19,302 (2009: TCHF 23,454 / 2008: 29,389) are secured by land and buildings of the Group (note 9). Bank borrowings of TCHF 16,000 (2009: TCHF 20,000 / 2008: TCHF 25,000) are additionally secured by shares of some subsidiaries (GS Swiss PCB AG, ECR AG, Mikrap AG, AEMtec GmbH) of the exceet Group AG and by assigned accounts receivables (note 30).

Other loans contains loans due to the shareholder TCHF 8,165 – TEUR 6,548 (2009: TCHF 9,495 – TEUR 6,384 / 2008: TCHF 1,697 – TEUR 1,050) which are subordinated and a loan to related parties in the amount of TCHF 5,608 – TEUR 4,498 (2009: TCHF 6,562 – TEUR 4,412 / 2008: none) which is also subordinated.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2010 TCHF	2009 TCHF	2008 TCHF
6 months or less	21,793	28,900	25,785
6 - 12 months	16,089	19,359	1,786
1 - 2 years	2,169	3,579	180
2 - 5 years	5,132	1,725	5,419
Over 5 years	365	0	0
	45,548	53,563	33,170

The carrying amounts and fair value of the non-current borrowings are as follows:

Carrying amount	2010 TCHF	2009 TCHF	2008 TCHF
Bank borrowings	18,120	23,951	23,515
Finance lease liability	5,271	4,844	1,462
Other loans	0	16,057	1,697
	23,391	44,852	26,674
Fair value	2010 TCHF	2009 TCHF	2008 TCHF
Bank borrowings	18,185	23,971	23,571
Finance lease liability	5,271	4,844	1,462
Other loans	0	16,057	1,697
	23,456	44,872	26,730

The interest rates for the non-current borrowings as per December 31, 2010 are floating. Therefore the carrying amount equals approximately the fair value. The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The Group has the following undrawn borrowing facilities:

	2010 TCHF	2009 TCHF	2008 TCHF
Floating rate:			
– Expiring within one year	1,591	0	2,907
– Expiring beyond one year	1,205	1,487	0
Fixed rate:			
– Expiring within one year	0	0	0
– Expiring beyond one year	0	0	0
	2,796	1,487	2,907

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The facilities have been arranged to help finance the operational activities if required. The granted current account lines are normally not utilized.

19 Retirement benefit obligations

Contributions to retirement benefit plans are generally calculated based on the salary of the insured employees. In Switzerland, pension obligations are covered by legally segregated assets. The retirement benefit scheme of the Group's subsidiaries located in Switzerland is organized as a legally independent pension fund according to Swiss Law (BVG). The pension fund provides benefits in the event of retirement, death, or disability. The plans' benefits are based on age, years of service, salary and on an individual old age account. The plan is financed by contributions paid by the employees and by the employer.

The retirement benefit obligation for the German subsidiary AEMtec, Berlin is an obligation due to the former employees of Infineon Technologies AG (predecessor of AEMtec GmbH). Employees of Infineon Technologies AG were transferred to new founded AEMtec GmbH. For these employees the retirement benefit obligation went over to AEMtec GmbH by March 31, 2000. The amount of the obligation depends on different factors such as staff membership, age and salary.

The calculated retirement benefit obligation for the German subsidiary PPC Card Systems GmbH, Paderborn and Winter AG, Unterschleissheim comprises two persons each who receive benefits in the event of retirement, death or disability.

The calculated retirement benefit obligation for the German subsidiary Winter AG, Unterschleissheim comprises a retirement benefit plan for two former managers of Winter AG. The seller of Winter AG has the contractual obligation to pay all the future pension liabilities in accordance with the share purchase agreement.

The net periodic pension cost and the defined benefit obligations have been calculated using the projected unit credit method.

The amount recognized in the balance sheet is composed as follows:

	2010 TCHF	2009 TCHF	2008 TCHF
Present value of funded obligation	-32,817	-27,746	-26,566
Fair value of plan asset	28,477	23,352	22,170
	-4,340	-4,394	-4,396
Present value of unfunded obligation	-798	-997	-739
Liability in the balance sheet	-5,138	-5,391	-5,135

Changes in the defined benefit obligation:

	2010 TCHF	2009 TCHF	2008 TCHF
Present value of obligation at January 1	-28,743	-27,305	-23,264
Acquisition of subsidiaries (note 31)	-539	-447	-2,831
Current service cost	-1,230	-1,123	-943
Interest on obligation	-964	-813	-811
Contributions by plan participants	-1,093	-942	-899
Actuarial gains / losses	-930	14	-77
Benefits paid through pension assets, net	-375	1,598	1,476
Liabilities extinguished on settlements	0	261	0
Foreign currency translation differences	259	14	44
Present value of obligation at December 31	-33,615	-28,743	-27,305

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NOTES TO FINANCIAL STATEMENTS—(Continued)

Changes in the fair value of plan assets:

	2010	2009	2008
	TCHF	TCHF	TCHF
Fair value of plan assets at January 1	23,352	22,170	21,719
Acquisition of subsidiaries (note 31)	539	55	1,630
Expected returns on plan assets	1,077	864	966
Actuarial gains / (losses) on assets	727	55	-2,612
Plan participants' contribution	1,093	942	899
Company contributions	1,338	1,127	1,044
Benefits paid through pension assets, net	375	-1,598	-1,476
Liabilities extinguished on settlements	0	-261	0
Currency translation differences	-24	-2	0
Fair value of plan assets at December 31	28,477	23,352	22,170

Amounts recognized in the income statement:

	2010	2009	2008
	TCHF	TCHF	TCHF
Current service cost	-1,230	-1,123	-943
Interest on obligation	-964	-813	-811
Expected returns on plan assets	1,077	864	966
Total amount recorded in the income statement	-1,117	-1,072	-788

Of the total charge of TCHF 1,117 (2009: TCHF 1,072 / 2008: TCHF 788), TCHF 838 (2009: TCHF 800 / 2008: TCHF 569) were included in "cost of sales", TCHF 123 (2009: TCHF 118 / 2008: TCHF 88) in "administrative expenses" and TCHF 156 (2009: TCHF 154 / 2008: TCHF 131) in "distribution costs".

The actual return on plan assets amounted to a gain of TCHF 1,804 (2009: TCHF 916 / 2008: loss of TCHF 1,646).

Actuarial gains and losses recognized directly in the statement of comprehensive income (recognized directly in equity):

	2010	2009	2008
	TCHF	TCHF	TCHF
Cumulative amount at January 1	-2,709	-2,778	-83
Actuarial gains/(losses): Change in assumptions	-1,193	0	-69
Actuarial gains/(losses): Experiences	263	14	-14
Gains/(losses) on assets	727	55	-2,612
Total recognized actuarial gains/(losses) in the SORIE	-203	69	-2,695
Cumulative amount at December 31	-2,912	-2,709	-2,778

Components of the defined benefit obligation:

	2010	2009	2008
	TCHF	TCHF	TCHF
Defined benefit obligation for active employees	-28,373	-23,899	-23,360
Defined benefit obligation for pensioners	-5,242	-4,844	-3,945
Total defined benefit obligation	-33,615	-28,743	-27,305

Actuarial assumptions for the Swiss pension plan:

	2010	2009	2008
Discount rate	2.85%	3.25%	3.25%
Expected return on plan assets	4.35%	4.15%	4.15%
Future salary increases	2.00%	2.00%	2.00%
Labor turnover rate	6.27%	6.33%	6.72%
Future pension increases	0.00%	0.00%	0.00%

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NOTES TO FINANCIAL STATEMENTS—(Continued)

The average life expectancy for Swiss pension plans was calculated on the basis of BVG 2005 plus 2.50% (2009: 2% / 2008: 1.50%). The disability rates were also calculated on the basis of BVG 2005. The retirement age used for the calculation is 65 years for men and 64 years for women.

Actuarial assumptions for the German pension plan of AEMtec GmbH, Berlin:

	2010	2009	2008
Discount rate	5.40%	5.00%	6.10%
Future salary increases	0.00%	0.00%	2.00%
Labor turnover rate until age 30	5.00%	5.00%	5.00%
Labor turnover rate until age 40	3.00%	3.00%	3.00%
Labor turnover rate until age 50	1.00%	1.00%	1.00%
Labor turnover rate until age 51 and older	0.00%	0.00%	0.00%
Future pension increases	1.75%	2.00%	2.00%

Actuarial assumptions for the German pension plan of PPC Card Systems GmbH, Paderborn:

	2010	2009	2008
Discount rate	5.40%	5.75%	n/a
Expected return on plan assets	4.00%	4.50%	n/a
Future salary increases	0.00%	0.00%	n/a
Labor turnover rate	0.00%	0.00%	n/a
Future pension increases	1.75%	1.75%	n/a

Actuarial assumptions for the German pension plan of Winter AG, Unterschleissheim:

	2010	2009	2008
Discount rate	4.50%	n/a	n/a
Future salary increases	0.00%	n/a	n/a
Labor turnover rate	0.00%	n/a	n/a
Future pension increases	0.00%	n/a	n/a

The average life expectancy for the German pension plans is based on the biometric basis values by Prof. Dr. Klaus Heubeck, according to German law.

As of the balance sheet date, the plan assets comprise the following items:

	2010		2009		2008	
	TCHF	%	TCHF	%	TCHF	%
Equities	9,517	33.4	8,320	35.6	5,773	26.0
Bonds	11,247	39.5	9,425	40.4	7,392	33.3
Real estate	4,157	14.6	3,471	14.9	2,452	11.1
Qualified insurance policies	986	3.5	997	4.3	1,340	6.0
Other	2,570	9.0	1,139	4.9	5,213	23.5
Total	28,477	100.0	23,352	100.0	22,170	100.0

The expected long-term return is based on past experience and on expected future returns.

The Group expects TCHF 1,404 (2010: TCHF 1,254 / 2009: TCHF 1,190) in contributions to be paid to the defined benefits plans in 2011.

	2010	2009	2008	2007	2006
	TCHF	TCHF	TCHF	TCHF	TCHF
Present value of defined benefit obligation	-33,615	-28,743	-27,305	-23,264	-21,755
Fair value of plan assets	28,477	23,352	22,170	21,719	20,059
Deficit in the plan at December 31	-5,138	-5,391	-5,135	-1,545	-1,696
Experience adjustments on plan liabilities	263	14	-14	-815	147
Experience adjustments on plan assets	727	55	-2,612	743	8

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

20 Accrued expenses and deferred income

	2010 TCHF	2009 TCHF	2008 TCHF
Incentives for staff	3,215	1,444	1,020
Holiday and overtime	1,273	1,249	695
Social securities	131	268	42
Salaries	175	0	0
Audit and consulting fees	688	298	460
Goods received without credit note	402	315	0
Provisions third	484	652	0
Acquisition costs	274	0*	0*
Fee of Board of Directors (note 34)	0	25	24
Accrued outstanding bills	135	344	162
Cost of shipment	1	74	0
Recovery of infrastructure	0	119	0
Accrued licence cost	0	0	189
Credit note for client	111	0	143
Cost for issuance of share capital	0	0	163
Others	593	667	460
Total accrued expenses and deferred income	7,482	5,455	3,358

* Accrued expenses for acquisition in 2009 & 2008 are included in positions other and consulting fees

21 Other liabilities

	2010 TCHF	2009 TCHF	2008 TCHF
Suppliers of equipment	0	0	968
Prepayments	881	398	0
Value-added tax	1,433	1,433	214
Social securities	657	463	736
Not paid dividend to former shareholders	0	0	600
Government grants	92	244	440
Interest cap	90	20	56
Liabilities from acquisition	195	0	0
Grant for purchase of equipment from customer	1,026	0	0
Others	474	1,073	346
Total other liabilities third parties	4,848	3,631	3,360
Other liabilities related parties	1,960	84	5
Total other liabilities	6,808	3,715	3,365

Interest cap: the negative replacement value is recorded as financial liability at fair value through profit and loss (note 27). The Group has the following contracts:

Instrument	2010 Contract amount TCHF	2009 Contract amount TCHF	2008 Contract amount TCHF	Contract period	Instrument rate	Index Tenor
Interest Cap	4,000	8,000	12,000	30.03.2007 - 31.03.2011	3.00%	LIBOR
Interest Cap	9,700	11,600	13,000	30.09.2008 - 28.03.2013	3.00%	LIBOR
Interest Cap	3,290	n/a	n/a	30.06.2011 - 30.06.2015	2.30%	LIBOR
Interest Swap	1,777	n/a	n/a	03.01.2011 - 30.06.2018	3.30%	EURIBOR
Interest Cap	1,559	2,231	n/a	26.10.2006 - 31.10.2013	4.00%	EURIBOR

The position “others” contains liabilities to consultants, financial department and fees to fiscal and various authorities.

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

Other liabilities to related parties include mainly the purchase price of the acquisition of The Art of Packaging s.r.o. (TCHF 1,844) owed to Members of Management Board and legal fees of TCHF 115 owed to the Board of Directors (note 31.2/ 34).

The position liabilities from acquisition contains the current part of the earn out of Winter AG (TCHF 195). In addition, the position other non-current liabilities in the balance sheet contains the earn out of Winter AG of about TCHF 625.

22 Provisions for other liabilities and charges

	Guarantee TCHF	Legal claims TCHF	Reconstruction obligations TCHF	Social provisions TCHF	Restructuring TCHF	Others TCHF	Total TCHF
At January 1, 2010	241	324	119	177	0	339	1,200
Acquisition of subsidiaries (note 31)	0	0	85	0	467	292	844
Charged/(credited) to the income statement							
– Additional provisions	469	55	118	10	0	109	761
– Unused amounts reversed	-100	-111	0	-16	0	-10	-237
Used during year	-125	-257	0	0	0	-60	-442
Currency translation differences	-63	-11	-34	-28	-13	-57	-206
At December 31, 2010	422	0	288	143	454	613	1,920
At January 1, 2009	0	1,435	136	0	0	220	1,791
Acquisition of subsidiaries (note 31)	0	0	0	149	0	436	585
Charged/(credited) to the income statement							
– Additional provisions	245	176	0	31	0	90	542
– Unused amounts reversed	0	-100	-17	0	0	-400	-517
Used during year	0	-1,185	0	0	0	0	-1,185
Currency translation differences	-4	-2	0	-3	0	-7	-16
At December 31, 2009	241	324	119	177	0	339	1,200
At January 1, 2008	0	122	0	0	0	0	122
Acquisition of subsidiaries (note 31)	0	0	144	0	0	231	375
Charged/(credited) to the income statement							
– Additional provisions	0	1,335	0	0	0	0	1,335
– Unused amounts reversed	0	0	0	0	0	0	0
Used during year	0	-22	0	0	0	0	-22
Currency translation differences	0	0	-8	0	0	-11	-19
At December 31, 2008	0	1,435	136	0	0	220	1,791
Analysis of total provisions					2010 TCHF	2009 TCHF	2008 TCHF
Non-current					503	360	203
Current					1,417	840	1,588
Total provisions					1,920	1,200	1,791

Guarantees

The Group recognizes guarantee provision to cover warranty claims. The calculation of this provision is based on past experience of warranty claims and returns. The actual costs for warranty and returns may differ from these estimates.

Legal claims

The amounts represent a provision for certain legal claims brought against the Group by customers. The provision charge is recognized in profit or loss within “administrative expenses”. The main legal cases were settled in 2010.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

Restructuring

The restructuring provisions are related to personnel costs including termination costs of employees and are related to IDMS segment. The restructuring provisions will be utilized in the first half of 2011.

Others

Other provisions predominantly include provisions of TCHF 285 related to unoccupied offices. The provision related to unoccupied offices will be utilized over the remaining term of the lease contract, which expires in 2014.

23 Expenses by nature

	2010	2009	2008
	TCHF	TCHF	TCHF
Changes in inventories of finished goods and work in progress	-1,097	161	-1,134
Raw materials and consumables used	82,504	62,589	40,887
Personnel cost (note 24)	45,825	36,028	23,785
Depreciation, amortization and impairment charges (note 9/10)	8,046	6,989	4,584
Repair and maintenance expense	3,032	2,200	1,513
Leasing expense (note 29.1)	325	275	142
Rental expense (note 29.1)	2,231	2,259	916
Administrative expense	4,685	3,089	2,046
Marketing and acquisition expense	1,047	1,204	534
Research and development expense	17	118	0
Other operating expense (note 26)	4,571	3,543	1,783
Total cost of sales, distribution costs & admin. expenses	151,186	118,455	75,056

24 Personnel costs

Personnel costs comprise the following cost items:

	2010	2009	2008
	TCHF	TCHF	TCHF
Salaries	37,820	29,748	20,234
Social contributions	4,813	3,809	1,631
Defined benefit plan expenses	1,117	1,072	788
Other personnel expenses	2,075	1,399	1,132
Total	45,825	36,028	23,785

25 Other operating income

Other operating income includes the following items:

	2010	2009	2008
	TCHF	TCHF	TCHF
Income from insurance company	0	97	0
Government benefits	626	1,009	153
Gain on sale of tangible assets	440	86	2
Rental income	120	89	0
License fee income	0	179	0
Income from shipment	557	397	41
Others	659	626	441
Total other operating income	2,402	2,483	637

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

26 Other operating expenses

Other operating expenses result from the following items:

	2010	2009	2008
	TCHF	TCHF	TCHF
Energy costs	1,252	1,057	515
Freight costs	1,088	719	127
Waste disposal & Cleaning costs	527	252	127
Insurance costs	600	522	240
Expenses for guarantees	12	171	0
Book loss of sales of equipment	256	0	0
Costs of change location	41	287	0
Other tax and government requirements	26	31	234
Costs for claims	295	-8	271
Others	474	512	269
Total other operating expenses	4,571	3,543	1,783

27 Financial result

The financial results are derived as follows:

	2010	2009	2008
	TCHF	TCHF	TCHF
Interest income	55	59	49
Fair value gains on the interest cap	46	35	0
Foreign currency exchange gains	1,681	315	668
Financial income	1,782	409	717
Interest expenses	-864	-1,029	-1,641
Financial leasing expense	-219	-192	-53
Fair value loss on the interest cap	-130	0	-57
Foreign currency exchange losses	-1,943	-466	-881
Financial expenses related parties	-312	-320	-73
Other financial expenses	-137	-43	-58
Financial expenses	-3,605	-2,050	-2,763
Total financial result	-1,823	-1,641	-2,046

28 Earnings per share

a) Basic

In accordance with IAS 33, the basic earnings per share are equal to the profit for the year divided by the weighted number of outstanding registered shares.

	2010	2009	2008
	TCHF	TCHF	TCHF
Profit for the year (CHF) attributable to equity holders of the company	12,648	829	4,003
Number of weighted registered shares	22,287	22,287	22,105
Basic earnings per share (CHF/share)	567.51	37.20	181.10

b) Diluted

Diluted earnings per share are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. As there are no options or share based payment plan outstanding or other instruments which could lead to an increase of the average number of shares, the diluted EPS and the basic EPS are equal.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

29 Other financial obligations/ commitments and contingencies

29.1 Rental and lease contracts

Description of rental and lease contracts

Operating lease obligations (rental) as of December 31

	2010	2009	2008
	TCHF	TCHF	TCHF
< 1 year	2,305	2,579	955
> 1 – 5 years	4,328	4,154	2,763
More than 5 years	1,460	2,017	1,782
Total	8,093	8,750	5,500

Finance lease obligations as of December 31

	2010	2009	2008
	TCHF	TCHF	TCHF
< 1 year	2,983	2,458	622
> 1 – 5 years	5,150	4,403	1,462
More than 5 years	121	441	0
Total	8,254	7,302	2,084
Future finance charges on finance leases	569	708	220
Gross finance lease obligation	8,823	8,010	2,304

In financial year 2010, the rental and leasing expenses amounted to TCHF 2,556 (2009: TCHF 2,534 / 2008: TCHF 1,058).

29.2 Contingent liabilities

It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for (note 22).

30 Pledged assets

The company has the following pledged assets:

	2010	2009	2008
	TCHF	TCHF	TCHF
Land and building	5,355	5,482	5,658
Pledged accounts receivables	9,778	6,933	2,365
Pledged other receivables	429	319	269
Pledged machinery and equipment	2,034	2,184	1,918
Total pledged assets	17,596	14,918	10,210

Bank borrowings are secured by land and buildings, receivables and machines and equipment (note 18).

31 Business combinations

As per December 29, 2010, the Group acquired 95.12% of Winter AG, a company based in Unterschleissheim in Germany. Subsequently the Group acquired the remaining interests on February 16, 2011 for TCHF 61. Because the effects on the income statement from of December 29 to 31 2010 were immaterial for the Group Winter AG was consolidated as if was acquired on December 31, 2010. Furthermore, the Group acquired 100% of the interests of The Art of Packaging on December 31, 2010.

As of June 30, 2009, in a common control transaction, the Group obtained control (67.81%) of CardFactory AG one of the leading producers of smart cards. CardFactory Group offers a high technology product range and security solutions. In the financial year ended December 31, 2009, this acquisition, including all the companies forming the former exceet Card Group, now form the IDMS segment of the exceet Group.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

On October 1, 2008, the Group obtained control (common control transaction) of 100% of the share capital of AEMtec GmbH, Berlin, a leading manufacturer of multi-chip modules. It serves customers in the industrial, medical technology and data communication industries around the world.

On March 1, 2008, the Group acquired 100% of the share capital of ModuNORM GmbH, St. Gallen and its subsidiary Mikrap AG, Einsiedeln, a company that develops and distributes software and hardware for instrumentation and control technology, in particular for medical technology, industry and property automation applications.

The following table shows the cash flows of the acquisitions made in 2010, 2009 and 2008, and the transaction costs which were directly recognized in the income statement:

<u>Cash flow on acquisition of investments</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash outflow on acquisition of Winter	-6		
Cash inflow on acquisition of The Art of Packaging	62		
Cash inflow on purchase price repayment of Mikrap	322		
Cash inflow on common control transaction with exceet Card Group		4,541	
Cash outflow – transaction costs		-480	
Cash inflow on common control transaction with AEMtec			363
Cash outflow on acquisition of Modunorm/Mikrap			-25,000
Cash outflow – transaction costs			-1,186
Total	378	4,061	-25,823
 <u>Transaction cost directly recognized in the income statement</u>	 <u>2010</u>		
Winter	389		
The Art of Packaging	33		
Total	422		

The cash inflow 2010 on purchase price repayment of Mikrap is based on the purchase agreement and is related to a purchase price adjustment.

The transaction costs are included in the administrative expenses.

All goodwills are not tax deductible.

31.1 Acquisition 2010 – business combination/ IFRS 3 (revised): Winter AG, Unterschleissheim

Winter AG contributed no revenue and no income for 2010 because the date of consolidation was the December 31 2010. If the acquisition had occurred on January 1, 2010, Winter AG would have contributed revenue of TCHF 15,746 and a net loss of TCHF 2,836 to the Group.

Purchase consideration at December 31, 2010

Purchase price paid in 2010	1,272
Contingent consideration	820
Total purchase consideration	2,092
Fair value of net assets acquired	-1,689
Non-controlling*	82
Goodwill (note 10)	485

* Proportionate share of the acquiree's net assets

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NOTES TO FINANCIAL STATEMENTS—(Continued)

	Fair Value
Cash and cash equivalents	1,266
Tangible assets (note 9)	1,492
Software (note 10)	91
Customer Base (note 10)	1,658
Brand (note 10)	307
Other financial assets	212
Inventory	1,199
Trade receivables (including allowance)	750
Other receivables	123
Accrued income and deferred expenses	9
Trade payables	-548
Other liabilities	-487
Accrued expenses and deferred income	-652
Provisions	-844
Deferred tax, net	-2,887
Net assets acquired	1,689
Purchase consideration settled in cash in 2010	-1,272
Cash and cash equivalents in subsidiary acquired	1,266
Cash outflow on acquisition	-6

The contingent consideration arrangement requires the Group to pay over the next three years (2011 -2013) up to TEUR 750 (undiscounted amount) depending on defined results. The management expected an earn out payment of TEUR 650 based on best estimate (note 21).

The fair value of trade and other receivable is TCHF 873. The gross contractual amount for trade receivables due is TCHF 762, of which TCHF 12 is expected to be uncollectible.

The initial accounting for the acquisitions in the current financial year is provisional. The results of the final valuation and purchase price allocation are still outstanding. The fair values assigned to the identifiable assets acquired and liabilities assumed are therefore still subject to changes. The goodwill is attributed mainly to expected synergies, the labor force and the favourable sales growth potential.

31.2 Acquisition 2010 – business combination/ IFRS 3 (revised): The Art of Packaging s.r.o., Prachatice

The Art of Packaging s.r.o., Prachatice contributed no revenue and no income for 2010 because the date of consolidation was December 31, 2010. If the acquisition had occurred on January 1, 2010, The Art of Packaging would have contributed revenue of TCHF 1,603 and a net gain of TCHF 102 to the Group.

Details of net assets acquired and goodwill are as follows:

Purchase consideration at December 31, 2010	
Purchase price paid in 2010	25
Purchase price to be paid in 2011	1,844
Total purchase consideration	1,869
Fair value of net assets acquired	-182
Goodwill (note 10)	1,687

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The assets and liabilities arising from the acquisition are as follows:

	Fair Value
Cash and cash equivalents	87
Tangible assets (note 9)	103
Intangible assets (note 10)	6
Inventory	5
Trade receivables (including allowance)	98
Other receivables	30
Accrued income and deferred expenses	6
Trade payables	-46
Other liabilities	-20
Accrued expenses and deferred income	-87
Net assets acquired	182
Purchase consideration settled in cash in 2010	-25
Cash and cash equivalents in subsidiary acquired	87
Cash inflow on acquisition in 2010	62

The Group acquired this company from related parties (note 34). The Art of Packaging is a near shore production location in the Czech Republic. This takeover will allow exceet Group to continue to realize its cost-optimized production concept and will increase production flexibility within the Group. The goodwill resulting from the acquisition is attributable to know-how and skills of the acquired business workforce, the infrastructure of the site and the synergies that the Group can realize.

The initial accounting for the acquisitions in the current financial year is provisional.

The results of the final valuation and purchase price allocation are still outstanding. The fair values assigned to the identifiable assets acquired and liabilities assumed are therefore still subject to changes.

The accounts receivable and other receivable are valued at fair value; there is no uncollectible receivables.

31.3 Acquisition 2009 – business combination/ common control: CardFactory AG, Paderborn

CardFactory Group contributed revenue of TCHF 32,253 and a net loss of TCHF 128 to the Group for the period of July 1, 2009 to December 31, 2009. If the acquisition had occurred on January 1, 2009, CardFactory Group would have contributed revenue of TCHF 57,483 and a net loss of TCHF 2,411 to the Group.

CardFactory Group was under common control by the same shareholder (Ventizz Capital Fund III Holding Company) which controls the exceet Group AG. The aggregate book value of the assets and liabilities (as of June 30, 2009/ date of the transaction) of CardFactory Group, adjusted by non-controlling interests and transaction costs, is recorded as an adjustment to equity (details in table: ‘Statement of changes in equity’). No additional goodwill is created by the transaction. The goodwill as per June 30, 2009 recognized in CardFactory Group results from the acquisition by CardFactory AG in their directly held subsidiaries. exceet Group AG acquired a share capital of 67.81%. 1.75% of the share capital is held as own shares by CardFactory AG and 30.44% of the share capital is held by non-controlling interests.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The assets and liabilities arising from the acquisition are as follows:

	Aquiree's carrying amount
Cash and cash equivalents	4,541
Tangible assets (note 9)	8,457
Intangible assets including goodwill (note 10)	18,884
Other financial assets	148
Inventory	9,290
Trade receivables (including allowance)	7,511
Other receivables	1,109
Accrued income and deferred expenses	1,166
Trade payables	-5,798
Other liabilities	-2,825
Accrued expenses and deferred income	-2,981
Provisions	-585
Bank liabilities	-3,642
Loans from related parties	-19,358
Liabilities from finance leasing	-2,370
Pension Liability	-392
Deferred tax, net	-19
Net assets acquired	13,136
less non-controlling Interests	-4,068
less acquisition costs	-374
Additional equity from business combination	8,694

31.4 Acquisition 2008 – business combination/ common control: AEMtec GmbH

AEMtec GmbH contributed revenue of TCHF 6,441 and a net loss of TCHF 394 to the Group for the period of October 1, 2008 to December 31, 2008.

AEMtec GmbH was a company under common control by the same party which controls the exceet Group AG. The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of AEMtec GmbH is recorded as an adjustment to equity (details in table: 'Statement of changes in equity'). No additional goodwill is created by the transaction.

The assets and liabilities arising from the acquisition are as follows:

	Aquiree's carrying amount
Cash and cash equivalents	363
Tangible assets (note 9)	3,301
Software (note 10)	178
Inventory	4,825
Trade receivables (including allowance)	3,387
Other receivables	365
Investments in associates	8
Trade payables	-2,188
Other liabilities	-1,472
Accrued expenses and deferred income	-506
Provisions	-326
Bank liabilities	-1,551
Liabilities from finance leasing	-522
Pension Liability	-772
Deferred tax assets	36
Net assets acquired	5,126
less acquisition cost	-163
Additional equity from business combination	4,963

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

31.5 Acquisition 2008 – business combination/ IFRS 3: ModuNORM GmbH, St. Gallen and its subsidiary Mikrap AG, Einsiedeln

ModuNORM GmbH and its subsidiary Mikrap AG contributed revenues of TCHF 12,927 and a net gain of TCHF 1,164 to the Group for the period of March 1, 2008 to December 31, 2008.

The following purchase consideration is considering only Mikrap AG because there is no operating activity in ModuNORM GmbH in 2008. ModuNORM GmbH has been merged with exceet Group AG as per January 1, 2009.

Details of net assets acquired and goodwill are as follows:

Purchase consideration at March 1, 2008

Cash paid	27,191
Transaction cost	1,631
Total purchase consideration	28,822
Fair value of net assets acquired	-17,430
Goodwill (note 10)	11,392

The goodwill recognized on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force, and the synergies expected to be achieved.

The assets and liabilities arising from the acquisition are as follows:

	Fair value	Acquiree's carrying amount
Cash and cash equivalents	2,191	2,191
Tangible assets (note 9)	823	1,326
Software (note 10)	116	204
Customer Base (note 10)	8,406	0
Technology (note 10)	3,012	0
Trademark (note 10)	1,502	0
Inventory	5,791	2,387
Trade receivables (including allowance)	1,310	1,192
Other receivables	745	745
Accrued income and prepaid expenses	97	97
Trade payables	-702	-702
Other liabilities	-1,827	-1,827
Accrued expenses and deferred income	-501	-501
Provisions	-50	-703
Pension Liability	-429	0
Deferred tax liabilities	-3,054	0
Net assets acquired	17,430	4,409
Purchase consideration settled in cash		-27,191
Cash and cash equivalents in subsidiary acquired		2,191
Cash outflow on acquisition		-25,000

32 Investment in associate

IEE Opto Sense GmbH, Berlin which is a 20% equity investment, was immaterial for group purposes and carried at cost less impairment. By December 31, 2010 it was written down to EUR 1 because the investment was sold in February 2011 for EUR 1. The loss of TCHF 7 is recognized in other financial expenses.

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

33 List of consolidated subsidiaries of exceet Group AG

Company	Year of acquisition	Activity	Land	Share	Capital	Share in the capital	Share of the votes
ECR AG	2006	Manufacturing of electronic components for industrial and med-tech application	SUI	CHF	500,000	100%	100%
GS Swiss PCB AG	2006	Manufacturing of flexible, semi-flexible and HDI printed circuit boards	SUI	CHF	1,350,000	100%	100%
Mikrap AG	2008	Development and distribution of software and hardware for instrumentation and control technology	SUI	CHF	1,000,000	100%	100%
AEMtec GmbH	2008	Manufacturing of multi-chip modules	GER	EUR	2,250,000	100%	100%
CardFactory AG	2009	Investments in subsidiaries	GER	EUR	5,915,500	67.81%	67.81%
– VisionCard Kunststoffkarten-produktions GmbH*	2009	Manufacturing of plastic card for Loyalty, Access, Events and Transportation	AUT	EUR	35,000	67.81%	67.81%
– idVation GmbH**	2009	Customizing Solutions for RFID area and Logical Access	GER	EUR	25,000	67.81%	67.81%
– The Art of Packaging s.r.o.***	2010	Production of prelamines for RFID card components, packaging services	CZE	CZK	1,500,000	67.81%	67.81%
– PPC Card Systems GmbH*	2009	Manufacturing of bank- and credit cards w/o chips for Banking, Loyalty, Medical & Transportation	GER	EUR	1,023,584	67.81%	67.81%
– PPC Card Systems B.V.****	2009	Personalization and mailing of all types of cards	NED	EUR	226,900	67.81%	67.81%
– NovaCard Informationssysteme GmbH*	2009	Development and marketing of contact and contactless smart cards	GER	EUR	1,022,584	67.81%	67.81%
Winter AG*****	2010	Production of smart cards and card personalization	GER	EUR	5,292,000	95.12%	95.12%

* CardFactory AG holds 100% of the share capital of these subsidiaries

** VisionCard Kunststoffkartenproduktions GmbH holds 100% of the share capital of idVation GmbH

*** VisionCard Kunststoffkartenproduktions GmbH holds 98.67% of the share capital of TAoP s.r.o. idVation GmbH holds 1.33% of the share capital of TAoP s.r.o.

**** PPC Card Systems GmbH holds 100% of the share capital of PPC B.V.

***** 4.88% of the share in the capital and in the votes were held by the public and purchased by exceet Group AG on 16, February 2011

CardFactory AG holds 100% of the share capital of NovaCard Systems Inc., USA, which is an inactive company and therefore not consolidated.

34 Related party transactions

Entities and natural persons (and their families) are considered related parties if they have the possibility to control the exceet Group or to exert a significant influence on its financial and business policies. For the purpose of assessing the significant influence exercised by related parties on the financial or business policies of the exceet Group, the existence of fiduciary relationships is taken into account in addition, to the existing control relationships.

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Related entities

The following entities are to be considered related parties:

Ventizz Capital Fund III Holding Company LLC, New York, USA (shareholder/ ultimate parent)
IEE Opto Sense GmbH, Berlin, GER (equity investment of AEMtec, Berlin)
ICID Handels GmbH, Kematen, AUT (entity controlled by related person)

Former related party “The Art of Packaging” was acquired from Members of the Management Board of exceet Group AG on December 31, 2010 (note 21/ 31.2/ 33).

Related persons

Board of Directors

- Hans Hofstetter, President of the Board of Directors
- Ulrich Reutner, Vice President of the Board of Directors
- Thomas Brauchli, Member of the Board of Directors

Members of the Management Board of exceet Group AG

- Ulrich Reutner, CEO of exceet Group AG
- Ulrich Feisst, CFO of exceet Group AG
- Robert Wolny, COO of exceet Group AG
- Jan Trommershausen, CIO of exceet Group AG

The remuneration of members of Executive Management and the Board of Directors is disclosed in note 35.

Transactions with related parties

A number of board members or related entities transacted with the Group in the reporting period. The terms and conditions of the transactions with related entities were no more favorable than those available on similar transactions to non-related parties. The interest of the shareholder’s loans is in line with the guideline of the Swiss Federal tax authority.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The aggregate value of transactions and outstanding balances relating to transactions with related parties were as follows:

Transaction value
Year ended 31 December

Related party	Transaction	2010 TCHF	2009 TCHF	2008 TCHF
Entity controlled by Members of the Board of Directors and Management Board	Legal Service	-283	-246	-152
Associate	Sale of goods/other income	22	791	206
Entity controlled by Members of the Board of Directors and Management Board	Sale of goods/other income	n/a	42	n/a
Entity controlled by Members of the Board of Directors and Management Board	Purchase of goods	-1,570	n/a	n/a
Ultimate Parent	Loans interest charged	-193	-191	-73
Board of Directors and Management Board	Loan interest charged	-170	-129	n/a

Balance outstanding at 31 December

Related party	Balance outstanding	2010 TCHF	2009 TCHF	2008 TCHF
Entity controlled by Members of the Board of Directors and Management Board	Trade payables and other liabilities	-115	-295	-99
Associate	Trade payables and other liabilities	-10	-48	206
Ultimate Parent	Borrowings and other liabilities	-8,165	-9,495	-1,697
Board of Directors and Management Board	Borrowings and other liabilities	-7,457	-6,562	n/a

The conditions of the loan to shareholders are described in note 18.

Contingent liabilities towards related parties

No contingent liabilities towards related parties.

35 Remuneration of members of Board of Directors and the Management Board

The following remuneration has been paid:

	2010 TCHF	2009 TCHF	2008 TCHF
Remuneration for meetings	32	113	106
Total payments to the Board of Directors	32	113	106
Salaries and social cost payments to Management Board	1,656	1,365	1,890
Post employment benefits payments to Management Board	88	78	87
Total payments to Management Board	1,744	1,443	1,977

In 2010, ten (2009: ten) meetings took place for the exceet Group AG. Furthermore the directors receive a fee on an hourly basis for additional services rendered.

The remuneration of the Management Board comprises a fixed and a variable component. The former Key Management of the Group was formed by the CEO's of each subsidiary as well as the CFO of the exceet Group AG. In 2009, the constitution of the board has changed due to the acquisition of CardFactory Group. The table with the payments to Group Management Board comprises in 2009, the new Management since July 1, 2009. For the period January 1 to June 30, 2009 the former CEO and CFO of exceet Group AG are included for the figures in 2009. The other former members of the Key Management are not considered (note 34).

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

The members of the Management Board and the Board of Directors hold the following shares:

Management Board

No shares are held by the Management Board.

Board of Directors

	2010 Number	2009 Number	2008 Number
Hans Hofstetter	0	0	1
Thomas Brauchli	0	0	1
Total	0	0	2

The shares are transferred to Ventizz in 2009.

36 Events after the balance sheet date

On April 1, 2011, the Group acquired all of the issued shares in AuthentiDate AG, Düsseldorf, for a cash consideration of USD 1,530,300. The initial accounting, i.e. the determination of fair values of the net identifiable assets of the company, for this business combination was incomplete at the time the financial statements were authorized for issue. This is due to the fact that the financial statements were authorized for issue very close to the acquisition date.

On March 8, 2011, the Group signed by way of a share purchase agreement its intention to acquire all of the shares of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. It will be acquired through an intermediate Austrian holding company which has been purchased in 2011 for TEUR 40. The acquisition of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. still has to be approved by the Group's shareholders as well as by Austrian regulators and certain conditions have to be met. This is not expected to occur before May 2011.

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

37 Report of the independent auditor



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Report of the independent auditor
to the Board of Directors of
exceet Group AG
St. Gallen

On your instructions we have audited the consolidated financial statements of exceet Group AG and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of December 31, 2010, 2009 and 2008 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity, for the three years then ended and a summary of significant accounting policies and other explanatory notes (pages F-34 to F-86).

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2010, 2009, 2008 and the results of operations and the cash flows for each of the three years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

PricewaterhouseCoopers AG

A handwritten signature in dark ink, appearing to read 'P. Balkanyi'.

Patrick Balkanyi
Audit expert
Auditor in charge

A handwritten signature in dark ink, appearing to read 'M. Wandeler'.

Markus Wandeler
Audit expert

Zurich, April 11, 2011

Exceet Group AG

**Unaudited pro-forma financial information
for the year ended December 31, 2010 and
for the three months ended March 31, 2011**

EXCEET GROUP AG

Basis of Preparation of the unaudited Pro Forma Combined Financial Information

The following unaudited pro forma combined financial information for exceet Group AG was prepared based on the requirements in Appendix I No. 20.2 in connection with Appendix II of the regulation (EC) No. 809/ 2004 of the European Commission under application of IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004). The pro forma combined financial information was not prepared in connection with an offering registered with the U.S. Securities and Exchange Commission (“SEC”) and is not compliant with the SEC’s rules on presentation of pro forma financial information.

The unaudited pro forma combined financial information includes a pro forma combined balance sheet as of March 31, 2011, a pro forma combined income statement for the financial year ended December 31, 2010, a pro forma combined income statement for the three months ended March 31, 2011 and explanatory notes. It gives effect to the acquisition of Winter AG which was completed on December 29, 2010 as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statement for the year ended December 31, 2010. It gives effect to the acquisition of Contec Steuerungstechnik & Automation Gesellschaft m.b.H. (“Contec GmbH”), which was completed on May 4, 2011, as if it had been completed on January 1, 2010 for the purpose of the pro forma combined income statements and as if it had been completed on March 31, 2011 for the purpose of the pro forma combined balance sheet. Pro forma information for the Winter AG acquisition is presented only in the pro forma combined income statement for the year ended December 31, 2010. Winter AG is fully consolidated by exceet Group AG from December 31, 2010.

The unaudited combined pro forma financial information has been compiled from the following sources:

- the audited consolidated financial statements as of and for the financial year ended December 31, 2010 prepared in accordance with IFRS and the unaudited interim financial statements as of March 31, 2011 and for the three months then ended of exceet Group AG prepared in accordance with IAS 34,
- the audited financial statements as of and for the financial year ended December 31, 2010 of Winter AG in accordance with German GAAP. These financial statements were adjusted to comply with exceet Group AG’s reporting format and with IFRS as applied by exceet Group AG in all material respects, and
- the audited financial statements of Contec GmbH prepared in accordance with Austrian GAAP as of January 31, 2011 and for the twelve months then ended and the unaudited interim financial statements of Contec GmbH for the three months ended March 31, 2011 prepared in accordance with Austrian GAAP. These financial statements were adjusted to comply with exceet Group AG’s reporting format, reporting period and with IFRS as applied by exceet Group AG in all material respects.

The unaudited pro forma adjustments are based on current available information and assumptions that we believe to be reasonable.

The unaudited pro forma combined financial information is for illustrative purposes only. It represents a hypothetical situation only and therefore does not indicate the actual consolidated results of operations or financial position of exceet Group AG. It should further not be taken as indicative of our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited pro forma combined financial information for a number of reasons, including but not limited to, differences between the assumptions used to prepare the unaudited combined pro forma financial information and actual amounts.

With respect to the pro forma adjustments related to the acquisitions of Winter AG and of Contec GmbH, the unaudited pro forma financial information has been prepared using the acquisition method of accounting in accordance with IFRS 3 revised as if the acquisitions of Winter AG and Contec GmbH had been completed on January 1, 2010 for purposes of the pro forma combined income statements and as if the acquisition of Contec GmbH had been completed on March 31, 2011 for purposes of the pro forma combined balance sheet. As the acquisition of Winter AG has been completed on December 29, 2010, Winter AG is included in the historical balance sheet and income statement of exceet Group AG as of and for the three month period ended March 31, 2011.

The allocation of the purchase consideration for Winter AG as reflected in the unaudited pro forma combined financial information represents the allocation underlying the actual consolidation of Winter AG by exceet Group AG as of December 31, 2010. This allocation is made on a provisional basis under IFRS 3 revised.

EXCEET GROUP AG

The allocation of the purchase consideration for Contec GmbH as reflected in the unaudited pro forma combined financial information is based upon the management's provisionally developed estimates of the fair values of assets acquired and liabilities assumed. This allocation of the purchase consideration depends upon certain estimates and assumptions, all of which are provisional. We are in the process of performing the valuations necessary to assess the fair values of tangible and intangible assets acquired and liabilities assumed and related allocation of the purchase consideration as of the closing date of the acquisition of Contec GmbH. The final allocation of the purchase consideration may be different than that reflected in the pro forma allocation and those differences may be material.

The unaudited pro forma combined income statements do not include adjustments for (i) any revenue or cost saving synergies that may be achievable as a result of the completed acquisitions of Winter AG and Contec GmbH or (ii) the impact of non-recurring items directly related to the completed acquisitions.

The pro forma combined financial information should be read in conjunction with the audited historical financial statements of exceet Group AG as of 31 December 2010 and for the year then ended and the unaudited interim financial statements as of March 31, 2011 and for the three months then ended.

EXCEET GROUP AG

Unaudited Pro Forma Combined Balance Sheet as of March 31, 2011

	Historical Financial Information			Pro-forma Adjustments	Pro forma
	exceet Group AG ¹	Contec GmbH ²	Combined Group	Contec GmbH ⁴	Combined Group
	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF
Assets					
Non-current assets					
Tangible assets	25,909	7,251	33,160	882	34,042
Intangible assets	58,984	134	59,118	5,687	64,805
Investment in Associate	0	0	0	0	0
Other non-current receivables	352	831	1,183	-680	503
Total non-current assets	85,245	8,216	93,461	5,889	99,350
Current assets					
Inventories	31,614	8,961	40,575	0	40,575
Trade receivables, net	23,278	2,695	25,973	0	25,973
Other current receivables	3,018	1,736	4,754	-69	4,685
Income tax receivable	448	0	448	0	448
Accrued income and prepaid expenses	1,114	204	1,318	0	1,318
Cash and cash equivalents	21,875	10	21,885	-7,314	14,572
Total current assets	81,347	13,606	94,953	-7,383	87,570
Total assets	166,592	21,822	188,414	-1,493	186,921
Equity					
Share capital	22,287	47	22,334	-47	22,287
Reserves	48,054	3,986	52,040	-3,986	48,054
Equity attributable to owners of the parent	70,341	4,033	74,374	-4,033	70,341
Non-controlling interests	3,842	0	3,842	0	3,842
Total equity	74,183	4,033	78,216	-4,033	74,183
Liabilities					
Non-current liabilities					
Borrowings	21,530	5,876	27,406	0	27,406
Retirement benefit obligations	5,008	659	5,667	-659	5,008
Deferred tax liabilities	8,154	0	8,154	756	8,910
Provisions for other liabilities and charges	533	1,181	1,714	-806	908
Other non-current liabilities	630	0	630	3,249	3,879
Total non-current liabilities	35,855	7,716	43,571	2,540	46,111
Current liabilities					
Trade payables	12,217	3,004	15,221	0	15,221
Other current liabilities	5,509	1,927	7,436	0	7,436
Accrued expenses and deferred income	10,236	249	10,485	0	10,485
Income tax liabilities	3,069	108	3,177	0	3,177
Borrowings	24,277	4,200	28,477	0	28,477
Provisions for other liabilities and charges	1,246	585	1,831	0	1,831
Total current liabilities	56,554	10,073	66,627	0	66,627
Total liabilities	92,409	17,789	110,198	2,540	112,738
Total equity and liabilities	166,592	21,822	188,414	-1,493	186,921

Winter AG is consolidated by exceet Group AG from December 31, 2010 and is therefore included in the historical exceet Group AG's balance sheet as of March 31, 2011.

EXCEET GROUP AG

Unaudited Pro Forma Combined Income Statement for the Year ended December 31, 2010

	Historical Financial Information				Pro Forma Adjustments		Pro Forma
	exceet Group AG ¹	Contec GmbH ²	Winter AG ³	Combined Group	Contec GmbH ⁴	Winter AG ⁵	Combined Group
	(audited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF
Revenue	165,215	33,519	14,051	212,785	0	-487	212,298
Cost of sales	-129,848	-30,276	-14,879	-175,003	-156	663	-174,496
Gross profit	35,367	3,243	-828	37,782	-156	176	37,802
Distribution costs	-10,680	-1,091	-1,759	-13,530	-2	3	-13,529
Administrative expenses	-10,658	-1,668	-1,643	-13,969	-1	149	-13,821
Other operating income	2,402	478	945	3,825	0	0	3,825
Operating result (EBIT)	16,431	962	-3,285	14,108	-159	328	14,277
Financial income	1,782	384	3	2,169	0	0	2,169
Financial expense	-3,605	-1,480	-18	-5,103	-84	-21	-5,208
Financial result, net	-1,823	-1,096	-15	-2,934	-84	-21	-3,039
Profit/(loss) before income tax . . .	14,608	-134	-3,300	11,174	-243	307	11,238
Income tax (expense)/income	-2,083	3	-123	-2,203	61	-64	-2,206
Profit/(loss) for the year	12,525	-131	-3,423	8,971	-182	243	9,032
Profit/(loss) attributable to:							
Owners of the parent	12,648						9,310
Non-controlling interest	-123						-278
	CHF						CHF
Earnings per share (basic) in							
CHF	567.51						417.73
Earnings per share (diluted) in							
CHF:	567.51						417.73

EXCEET GROUP AG

Unaudited Pro Forma Combined Income Statement for the Three Months ended March 31, 2011

	Historical Financial Information			Pro Forma Adjustments	Pro Forma
	exceet Group AG ¹	Contec GmbH ²	Combined Group	Contec GmbH ⁴	Combined Group
	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF	(unaudited) TCHF
Revenue	45,819	8,863	54,682	0	54,682
Cost of sales	-33,965	-8,326	-42,291	-39	-42,330
Gross profit	11,854	537	12,391	-39	12,352
Distribution costs	-2,899	-270	-3,169	-1	-3,170
Administrative expenses	-4,433	-474	-4,907	-8	-4,915
Other operating income	538	234	772	0	772
Operating result (EBIT)	5,060	27	5,087	-48	5,039
Financial income	542	307	849	0	849
Financial expense	-760	-190	-950	-21	-971
Financial result, net	-218	117	-101	-21	-122
Profit/(loss) before income tax	4,842	144	4,986	-69	4,917
Income tax (expense)/income	-1,304	23	-1,281	18	-1,263
Profit/(loss) for the period	3,538	167	3,705	-51	3,654
Profit/(loss) attributable to:					
Owners of the parent	3,602				3,718
Non-controlling Interest	-64				-64
Earnings per share (basic) in CHF	161.62				166.82
Earnings per share (diluted) in CHF	161.62				166.82

Winter AG is consolidated by exceet Group AG from December 31, 2010 and is therefore included in the historical exceet Group AG's income statement for the three month period ended March 31, 2011.

EXCEET GROUP AG
NOTES TO FIANCIAL STATEMENTS

Notes to the unaudited Pro Forma Combined Financial Information

1. Historical exceet Group AG

The historical financial information of exceet Group AG is derived from

- the audited consolidated financial statements as of December 31, 2010 of exceet Group AG prepared in accordance with IFRS, and
- the unaudited consolidated financial statements as of and for the three months ended March 31, 2011 of exceet Group AG prepared in accordance with IAS 34.

2. Historical Contec GmbH

The historical financial information of Contec GmbH is derived from

- the audited financial statements of Contec AG as of January 31, 2011 and for the period February 1, 2010 through January 31, 2011 prepared in accordance with Austrian GAAP, and
- the unaudited interim financial statements of Contec GmbH as of and for the three months ended March 31, 2011 prepared in accordance with Austrian GAAP.

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

Adjustments to Contec GmbH's historical balance sheet as of March 31, 2011 in accordance with Austrian GAAP to comply with exceet Group AG's accounting principles in accordance with IFRS and exceet Group AG's presentation currency

Balance Sheet as of March 31, 2011

	Contec GmbH			
	Austrian GAAP	IFRS Adjustments ^(b)	IFRS	IFRS*
	(unaudited) TEUR	(unaudited) TEUR	(unaudited) TEUR	(unaudited) TCHF
Assets				
Non-current assets				
Tangible assets	3,921	1,659	5,580	7,251
Intangible assets	126	-23	103	134
Other non-current receivables	523	116	639	831
Total non-current assets	4,570	1,752	6,322	8,216
Current assets				
Inventories	8,064	-1,168	6,896	8,961
Trade receivables, net	2,074	0	2,074	2,695
Other current receivables	879	457	1,336	1,736
Accrued income and prepaid expenses	157	0	157	204
Cash and cash equivalents	8	0	8	10
Total current assets	11,182	-711	10,471	13,606
Total assets	15,752	1,041	16,793	21,822
Equity				
Share capital	36	0	36	47
Reserves	2,731	337	3,068	3,986
Equity attributable to owners of the parent	2,767	337	3,104	4,033
Non-controlling interest	0	0	0	0
Total equity	2,767	337	3,104	4,033
Liabilities				
Non-current liabilities				
Borrowings	4,348	173	4,521	5,876
Retirement benefit obligations	572	-65	507	659
Deferred tax liabilities	0	0	0	0
Provisions for other liabilities and charges	727	182	909	1,181
Other non-current liabilities	0	0	0	0
Total non-current liabilities	5,647	290	5,937	7,716
Current liabilities				
Trade payables	2,312	0	2,312	3,004
Other current liabilities	864	619	1,483	1,927
Accrued expenses and deferred income	0	192	192	249
Income tax liabilities	83	0	83	108
Borrowings	3,233	0	3,233	4,200
Provisions for other liabilities and charges	846	-397	449	585
Total current liabilities	7,338	414	7,752	10,073
Total liabilities	12,985	704	13,689	17,789
Total equity and liabilities	15,752	1,041	16,793	21,822

* The unaudited balance sheet as of March 31, 2011 of Contec GmbH prepared in accordance with IFRS has been translated at the balance sheet date closing exchange rate of 1.3 CHF/EUR

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

Adjustments to Contec GmbH's historical reclassified income statement for the period February 1, 2010 through January 31, 2011 in accordance with Austrian GAAP to comply with exceet Group AG's reporting period, exceet Group AG's accounting principles in accordance with IFRS and exceet Group AG's presentation currency

Income Statement

	Contec GmbH					
	Feb 1, 2010 – Jan 31, 2011 Austrian GAAP*	Reporting Period Adjustments ^(a)	Jan 1, 2010 – Dec 31, 2010 Austrian GAAP	IFRS Adjustments ^(b)	Jan 1, 2010 – Dec 31, 2010 IFRS	Jan 1, 2010 – Dec 31, 2010 IFRS**
	(<i>unaudited</i>) TEUR	(<i>unaudited</i>) TEUR	(<i>unaudited</i>) TEUR	(<i>unaudited</i>) TEUR	(<i>unaudited</i>) TEUR	(<i>unaudited</i>) TCHF
Revenue	25,118	-1,051	24,067	222	24,289	33,519
Cost of sales	-22,844	1,161	-21,683	-256	-21,939	-30,276
Gross profit	2,274	110	2,384	-34	2,350	3,243
Distribution costs	-773	-20	-793	2	-791	-1,091
Administrative expenses	-1,099	-144	-1,243	35	-1,208	-1,668
Other operating income	188	119	307	40	347	478
Operating result (EBIT)	590	65	655	43	698	962
Financial income	279	0	279	0	279	384
Financial expense	-718	-100	-818	-255	-1,073	-1,480
Financial result, net	-439	-100	-539	-255	-794	-1,096
Profit/(loss) before income tax . .	151	-35	116	-212	-96	-134
Income tax (expense)/income	-4	-40	-44	46	2	3
Profit/(loss) for the period	147	-75	72	-166	-94	-131

* The audited income statement of Contec GmbH for the annual period from February 1, 2010 through January 31, 2011 prepared in accordance with Austrian GAAP, has been reclassified to conform with exceet Group AG's presentation format

** The unaudited income statement of Contec GmbH for the annual period ending December 31, 2010 prepared in accordance with IFRS, has been translated at an average 2010 exchange rate of 1.38 CHF/EUR

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

Adjustments to Contec GmbH historical reclassified income statement for the three month period ended March 31, 2011 in accordance with Austrian GAAP to comply with exceet Group AG's accounting principles in accordance with IFRS and exceet Group AG's presentation currency

Income Statement

	Contec GmbH			
	Jan 1, 2011 – Mar 31, 2011 Austrian GAAP*	IFRS Adjustments ^(b)	Jan 1, 2011 – Mar 31, 2011 IFRS	Jan 1, 2011 – Mar 31, 2011 IFRS**
	(unaudited) TEUR	(unaudited) TEUR	(unaudited) TEUR	(unaudited) TCHF
Revenue	6,826	62	6,888	8,863
Cost of sales	-6,310	-161	-6,471	-8,326
Gross profit	516	-99	417	537
Distribution costs	-208	-2	-210	-270
Administrative expenses	-357	-11	-368	-474
Other operating income	168	14	182	234
Operating result (EBIT)	119	-98	21	27
Financial income	196	42	238	307
Financial expense	-140	-6	-146	-190
Financial result, net	56	36	92	117
Profit/(loss) before income tax	175	-62	113	144
Income tax (expense)/income	-1	19	18	23
Profit/(loss) for the period	174	-43	131	167

* The unaudited income statement of Contec GmbH for the three months ended March 31, 2011 prepared in accordance with Austrian GAAP, has been reclassified to conform with exceet Group AG's presentation format

** The unaudited income statement of Contec GmbH for the three months ended March 31, 2011 prepared in accordance with IFRS, has been translated at an average exchange rate for the period of 1.29 CHF/EUR

a) Reporting Period Adjustments

The unaudited historical income statement of Contec GmbH for the twelve months ended January 31, 2011 prepared in accordance with Austrian GAAP has been adjusted to conform to a December 31, 2010 balance sheet date. The adjustment resulted in a reduction of revenue of TCHF 1,450 (TEUR 1,051), a reduction of cost of sales of TCHF 1,602 (TEUR 1,161) and a decrease of profit for the year of TCHF 104 (TEUR 75). The reporting period adjustments are unaudited.

b) IFRS adjustments

Contec GmbH's unaudited income statement for the year ended December 31, 2010 and Contec GmbH's unaudited balance sheet and income statement as of March 31, 2011 and for the three months then ended prepared in accordance with Austrian GAAP, were converted to IFRS on a preliminary basis by applying, in all material respects, the accounting policies of exceet Group AG. Other accounting and disclosure differences that are not identified below may come to our attention upon a future consolidation of Contec GmbH. The IFRS adjustments are unaudited.

The adjustments recorded comprise of the following:

i) Property, Plant and Equipment

Under Austrian GAAP, property plant and equipment have been depreciated over a shorter period of time than appropriate under IFRS as applied by exceet Group AG. The useful lives of those assets have been revised to comply with IFRS as applied by exceet Group AG. The adjustment resulted in an increase of profit after tax for the year ended December 31, 2010 of TCHF 297 (TEUR 215). Profit after tax for the three months ended March 31, 2011 was increased by TCHF 19 (TEUR 15). The balance sheet as of March 31, 2011 reflects an increase in tangible fixed assets of TCHF 1,895 (TEUR 1,458) and a respective increase in reserves of TCHF 1,422 (TEUR 1,094) and deferred tax liabilities of TCHF 473 (TEUR 364).

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

Further, under IFRS certain lease contracts, mainly machine leases, have been reclassified to be accounted for as finance leases instead of operating leases. The reclassifications had an insignificant impact on the profit after tax for the year ended December 31, 2010 and profit after tax for the three months ended March 31, 2011. The adjustment resulted in an increase in tangible fixed assets and non-current liabilities of TCHF 261 (TEUR 201) as of March 31, 2011.

ii) Intangible Assets

Contec GmbH amortized intangible assets over different expected useful lives than exceet Group AG. The respective useful lives have been revised to comply with exceet Group AG's policies which decreased the profit after tax by TCHF 23 (TEUR 17) and increased TCHF 4 (TEUR 3) for the period ended December 31, 2010 and the three months ended March 31, 2011 respectively. Intangible assets decreased by TCHF 27 (TEUR 21) as of March 31, 2011 and deferred tax assets increased by TCHF 9 (TEUR 7), whereas reserves decreased by TCHF 18 (TEUR 14).

iii) Employee Benefits

Contec GmbH accounts differently for defined benefit pension plans, termination benefits and jubilee awards under Austrian GAAP than under IFRS as applied by exceet Group AG. Provisions for the defined benefit obligation, the obligation relating to termination benefits and the corresponding expenses are recorded under Austrian GAAP on a different basis than under IFRS as applied by exceet Group AG. Applying IAS 19, the resulting adjustment caused an overall decrease in profit after tax for the year 2010 of TCHF 55 (TEUR 40). Profit after tax for the three months ended March 31, 2011 decreased by TCHF 32 (TEUR 25). The impact on the balance sheet as of March 31, 2011 included an overall decrease in non-current liabilities of TCHF 36 (TEUR 28) and an increase of reserves of TCHF 45 (TEUR 35).

iv) Derivative Financial Instruments

Contec GmbH is party to several derivatives contracts. Derivative financial assets were recognized as financial assets under Austrian GAAP with unrealized losses being recognized and unrealized gains not being recognized. Short-term derivative contracts were not recorded at all under Austrian GAAP. Under IFRS derivative instruments are recognized at fair value with changes in the fair value recorded in the income statement. This adjustment resulted in a decrease of profit after tax of TCHF 232 (TEUR 168) for the year ended December 31, 2010, and an increase in profit after tax for the three months ended March 31, 2011 of TCHF 40 (TEUR 31). Total liabilities as of March 31, 2011 increased by TCHF 289 (TEUR 222), total assets and deferred tax assets by TCHF 73 (TEUR 56) and reserves decreased by TCHF 217 (TEUR 167).

v) Inventory

The adjustments recorded for inventories to comply with exceet Group AG's IFRS accounting policies, mainly relate to provisions for slow moving and obsolete inventories, and resulted in a decrease of profit after tax for the year ended December 31, 2010 and the three months ended March 31, 2011 by TCHF 262 (TEUR 190) and by TCHF 101 (TEUR 78), respectively. Inventory and total assets decreased by TCHF 992 (TEUR 763) and by TCHF 722 (TEUR 555) respectively as of March 31, 2011, whereby reserves decreased by TCHF 744 (TEUR 572).

vi) Percentage of Completion Method for Long-Term Contracts

Under Austrian GAAP, profits from long-term contracts have not been recognized based on the stage of contract completion as required under IFRS for qualifying contracts. The adjustment results in an increase of profit after tax for the year ended December 31, 2010 of TCHF 26 (TEUR 19) and a respective increase of profit after tax for the three months ended March 31, 2011 of TCHF 6 (TEUR 5). The balance sheet as of March 31, 2011 reflects a decrease in inventories of TCHF 526 (TEUR 405) and an increase of receivables amounting to TCHF 594 (TEUR 457) with an increasing impact on reserves of TCHF 50 (TEUR 38) and deferred tax liabilities of TCHF 18 (TEUR 14).

vii) Start-up cost

Contec GmbH capitalized and amortized start-up costs incurred in relation to the planning of the production facilities. Under IFRS as applied by exceet Group AG these cost cannot be capitalized. The

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

related adjustment had a net impact on the profit after tax for the year ended December 31, 2010 of TCHF 25 (TEUR 18) and no impact on profit after tax for the three months ended March 31, 2011. Intangible assets and reserves as of March 31, 2011 decreased by TCHF 3 (TEUR 2).

viii) Government Grants

Contec GmbH recognized income from government grants for the financing of items of property, plant and equipment in the income statement upon receipt of the grant. The receipt of a loan below market rate was not accounted for as a government grant as required by IFRS. The related adjustments resulted in an increase of profit after tax for the year ended December 31, 2010 and for the three months ended March 31, 2011 of TCHF 17 (TEUR 12) and of TCHF 8 (TEUR 6) respectively. Total liabilities increased and reserves decreased by TCHF 436 (TEUR 335) as of March 31, 2011.

ix) Deferred Tax

Contec GmbH did not record deferred tax under Austrian GAAP. The deferred tax effect on IFRS adjustments represents the tax effect for temporary differences, resulting from IFRS adjustments. Those tax effects have been included in the respective IFRS adjustments as described above. The resulting net deferred tax asset amounting to CHF 151 (TEUR 116) is included in other non-current receivables. Further, deferred tax for existing loss carryforwards of Contec GmbH were recorded; as a result, profit after tax for the year ended December 31, 2010 decreased by TCHF 19 (TEUR 14). Profit after tax for the three months ended March 31, 2011 was not affected. The balance sheet as of March 31, 2011 reflects an increase in deferred tax assets and reserves amounting to TCHF 338 (TEUR 260).

3. Historical Winter AG

The historical financial information of Winter AG is derived from the audited financial statements as of December 31, 2010 and for the year then ended of Winter AG prepared in accordance with the German GAAP.

For the purpose of presenting the historical information of Winter AG in a reporting format that is consistent with that of exceet Group AG, presenting the historical information of Winter AG in accordance with IFRS as applied by exceet Group AG in all material respects, and in the presentation currency of exceet Group AG, adjustments have been made as illustrated below.

Income Statement

	Winter AG			
	Jan 1, 2010 – Dec 31, 2010 German GAAP*	IFRS Adjustments ^(c)	Jan 1, 2010 – Dec 31, 2010 IFRS	Jan 1, 2010 – Dec 31, 2010 IFRS**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	TEUR	TEUR	TEUR	TCHF
Revenue	10,182	0	10,182	14,051
Cost of sales	-10,930	148	-10,782	-14,879
Gross profit	-748	148	-600	-828
Distribution costs	-1,277	3	-1,274	-1,759
Administrative expenses	-1,269	78	-1,191	-1,643
Other operating income	580	105	685	945
Operating result (EBIT)	-2,714	334	-2,380	-3,285
Financial income	2	0	2	3
Financial expense	-13	0	-13	-18
Financial result, net	-11	0	-11	-15
Profit/(loss) before income tax	-2,725	334	-2,391	-3,300
Income tax (expense)/income	1	-90	-89	-123
Profit/(loss) for the year	-2,724	244	-2,480	-3,423

* The audited income statement of Winter AG for the annual period ending December 31, 2010 prepared in accordance with German GAAP, has been reclassified to conform with exceet Group AG's presentation format

** The unaudited income statement of Winter AG for the annual period ending December 31, 2010 prepared in accordance with IFRS has been translated at an average 2010 exchange rate of 1.38 CHF/EUR

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

(c) IFRS adjustments

The unaudited Winter AG income statement for the year ended 31 December 2010 prepared in accordance with German GAAP as presented above was converted to IFRS by applying, in all material respects, the accounting policies of exceet Group AG. The respective adjustments are unaudited.

(i) Property, Plant and Equipment

Under German GAAP, items of property plant and equipment have been depreciated over a shorter period of time than appropriate under IFRS as applied by exceet Group AG. A decrease of depreciation expense in the income statement of Winter AG for the year 2010 has been recorded resulting from the alignment of the depreciation of property, plant and equipment with the respective exceet Group AG's accounting policy. Profit after tax for the year ended December 31, 2010 increased by TCHF 272 (TEUR 197).

(ii) Inventory

Due to the adjustment with respect to a different inventory valuation under IFRS as applied by exceet Group AG, profit after tax for the year ended December 31, 2010 decreased by TCHF 41 (TEUR 30).

(iii) Provisions and Employee Benefits

Under German GAAP certain provisions were recognized, which do not meet the recognition criteria under IFRS or which were measured at amounts different to those appropriate under IFRS measurement principles as applied by exceet Group AG. The effect of the adjustment on the profit after tax for the year ended December 31, 2010 amounts to TCHF 106 (TEUR 77) which also includes a decrease in pension expense of TCHF 3 (TEUR 2) in relation to the application of IAS 19.

(iv) Deferred Tax

The deferred tax effect on IFRS adjustments represents the tax effect for temporary differences, resulting from IFRS adjustments. Those tax effects have been included in the respective IFRS adjustments as described above.

4. Pro forma Adjustments – Contec GmbH

Acquisition of Contec GmbH

Provisional allocation of the purchase consideration – Acquisition of Contec GmbH:

Purchase of Contec GmbH shares against cash (100%)

Fix purchase consideration	TCHF	7,314
Contingent consideration	TCHF	3,249

Total expected purchase consideration	TCHF	10,563
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IFRS book value of net assets to be acquired	-TCHF	5,632
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Provisional fair value adjustments

Intangible assets	-TCHF	3,024
Tax effect on recognition of intangible assets	TCHF	756

Provisional Goodwill	TCHF	2,663
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The calculated provisional goodwill represents the difference between the expected purchase consideration and the estimated fair values of the net assets of Contec GmbH. It should be noted that this amount is a provisional estimate only.

The estimated fair value of the net assets to be acquired includes the fair value of intangible assets provisionally identified on acquisition. Management determined the provisional fair values allocated to additional identifiable intangible assets based on the best estimate taking into account the experience gained on past similar acquisitions.

EXCEET GROUP AG

NOTES TO FINANCIAL STATEMENTS—(Continued)

The estimated fair value adjustment in the provisional allocation of the purchase consideration relates to the recognition of the following identifiable intangible assets:

Customer Base	(amortized over 15 years)	TCHF	2,374
Brand Name	(amortized over 10 years)	TCHF	650

The annual amortization for the customer base and the brand name expected to be identified, amounts to TCHF 158 and TCHF 65 respectively with an expected tax effect of TCHF 56. These amounts have been included as pro forma adjustment in the combined pro forma financial information for the year ended December 31, 2010.

The provisionally identified amortization of the customer base and the brand name for the three months ended March 31, 2011 amounts to TCHF 40 and TCHF 16 respectively and is reflected in the pro forma combined financial information together with the related tax effect of TCHF 14. The pro forma combined balance sheet as of March 31, 2011 includes the customer base amounting to TCHF 2,374 and the brand name amounting to TCHF 650.

The pro forma combined income statements for the year ended December 31, 2010 and the three months ended March 31, 2011 reflects the interest expense arising on the contingent consideration recognized as liability on acquisition (TCHF 3,249). The pro forma annual interest expense amounts to TCHF 84, the interest expense for the three months period ended March 31, 2011 amounts to TCHF 21.

There were no transactions between exceet Group AG and Contec GmbH that would need to be eliminated in the pro forma combined financial information.

Contec GmbH had entered into various derivative financial instruments contracts. As a condition for the closing of the acquisition, all outstanding derivative contracts were settled by the current main shareholder. Further an outstanding receivable of Contec GmbH from the main shareholder amounting to TCHF 69 as of March 31, 2011 was settled at closing. The settlement of the derivative contracts and the outstanding receivable, have been included as a pro forma adjustment in the pro forma combined balance sheet as of March 31, 2011, with the difference included in goodwill. The fair values of the derivative contracts as at March 31, 2011 amounted to TCHF -806 under IFRS.

Contec GmbH has in the past incurred a pension obligation towards the former main shareholder and had entered into two compensating insurance contracts. As a closing condition, Contec GmbH was obligated to effectively dispose of the liability and any other obligations related to it. The former main shareholder was obligated to ensure the disposal is carried out without any cost being incurred by Contec GmbH. The pension liability amounted to TCHF 659, the repurchase values of the related insurance policies amounted to TCHF 680 as of March 31, 2011 under IFRS. This closing condition has been reflected in the pro forma combined balance sheet as of March 31, 2011 through a respective reduction of retirement benefit obligations and other receivables with the difference of TCHF 21 recorded as adjustment to goodwill. Pension expense and income from the insurance policy have been eliminated in the pro forma combined financial information for the year ended December 31, 2010 amounting to TCHF 72 and TCHF 103 and the three months ended March 31, 2011 amounting to TCHF 21 and TCHF 36 respectively.

As part of the closing conditions, the land on which the company building resides had to be acquired from the former shareholder for an amount of TCHF 882. This condition has been reflected in the proforma balance sheet as of March 31, 2011 through an increase of tangible assets of TCHF 882 and a respective increase of the purchase consideration. Rental expense for the land prior to the acquisition amounted to TCHF 95 in 2010 and TCHF 24 for the three months ended March 31, 2011. Those expenses have been eliminated from the pro forma combined income statements for the year ended 2010 and the three months ended March 31, 2011 respectively including the related increasing tax effects of TCHF 23 and TCHF 5.

Financing of the Acquisition of Contec GmbH

exceet Group AG has not entered into any financing arrangements in relation to the acquisition of Contec GmbH. The pro forma combined income statements of the combined group for the year ended December 31,

EXCEET GROUP AG
NOTES TO FINANCIAL STATEMENTS—(Continued)

2010 and for the three month period ended March 31, 2011 therefore do not include any pro forma adjustments in relation to financing activities, for example additional finance cost.

5. Pro forma Adjustments – Winter AG

Acquisition of Winter AG as of December 29, 2010

Provisional allocation of the purchase consideration – Acquisition of Winter AG:

Purchase of Winter AG shares against cash (95.12%)		
Purchase consideration paid in 2010	TCHF	1,272
Contingent consideration	TCHF	820
Total purchase consideration	TCHF	2,092
Provisional fair value of net assets acquired	-TCHF	1,689
Non-controlling interests		
(at proportionate share of acquiree's net assets)	TCHF	82
Provisional Goodwill	TCHF	485

The calculated provisional goodwill represents the difference between the purchase consideration and the provisional fair values of the net assets of Winter AG on December 31, 2010. The fair value of the net assets acquired of Winter AG includes intangible assets identified on acquisition that were not previously reported in Winter AG's balance sheet.

The fair value adjustments in the purchase price allocation relate to the recognition of the following identifiable intangible assets:

Customer Base	(amortized over 15 years)	TCHF 1,658
Brand Name	(amortized over 10 years)	TCHF 307

The annual amortization for the additional intangible assets identified amounts to TCHF 141, which has been included as pro forma adjustment in the pro forma combined financial information for the year ended December 31, 2010 together with the related tax effect of TCHF 38.

The pro forma combined income statement for the year ended December 31, 2010 reflects the interest expense arising on the contingent consideration recognized as liability on acquisition of Winter AG. The pro forma annual interest expense reflected amounts to TCHF 21.

Winter AG carried out transactions with Visioncard GmbH in 2010 which are eliminated for the purposes of the pro forma combined financial information. As a result of this pro forma adjustment, sales and cost of sales decreased by TCHF 487 in the pro forma income statement for the year ended December 31, 2010.

Upon closing, production machines were acquired from the former shareholder Trüb AG, which were previously leased by Winter AG under an operating lease agreement. Additional annual depreciation for those machines of TCHF 233 and the discontinuation of the lease payments amounting to TCHF 628 per annum, are reflected in the pro forma combined financial information for the year ended December 31, 2010, increasing pro forma profit before tax for the year 2010 by TCHF 394.

On the basis of the closing conditions, from the date of closing, the former shareholder is obligated to reimburse Winter AG for any payments related to a pension obligation Winter AG has incurred in the past towards two former founders of Winter AG. The respective income related to such agreement is reflected in the pro forma combined financial information for the year ended December 31, 2010 amounting to TCHF 76.

Financing of the Acquisition of Winter AG

exceet Group AG has not entered into or carried out any financing arrangements in relation to the acquisition of Winter AG. The pro forma income statement of the combined group for the year ended December 31, 2010 does therefore not include any pro forma adjustment in relation to financing activities, for example additional finance cost.

Auditor's Report
to the Board of Directors of
exceet Group AG
St. Gallen

We have audited whether the pro forma financial information as of March 31, 2011 of exceet Group AG has been properly compiled on the basis stated in the pro forma notes and whether this basis is consistent with the accounting policies of the company. The pro forma financial information comprises a pro forma income statement for the period from January 1, 2010 to December 31, 2010, a pro forma income statement for the period from January 1, 2011 to March 31, 2011, a pro forma balance sheet as of March 31, 2011 as well as pro forma notes.

The purpose of the pro forma financial information is to present the material effects the transactions described in the pro forma notes would have had on the historical financial statements if the group had existed in the structure created by the transactions throughout the entire reporting period. As pro forma financial information reflects a hypothetical situation it is not entirely consistent with the presentation that would have resulted had the relevant events actually occurred at the beginning of the reporting period.

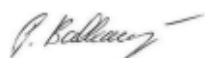
The compilation of pro forma financial information is the responsibility of the company's board of directors.

Our responsibility is to express an opinion, based on our audit, whether the pro forma financial information has been properly compiled on the basis stated in the pro forma notes and whether this basis is consistent with the accounting policies of the company. The subject matter of this engagement does neither include an audit of the basic figures including their adjustment to the accounting policies of the company, nor of the pro forma assumptions stated in the pro forma notes.

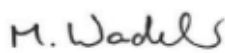
We have planned and performed our audit in accordance with the IDW Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1) promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) in such a way that material errors in the compilation of the pro forma financial information on the basis stated in the pro forma notes and in the compilation of this basis consistent with the accounting policies of the company are detected with reasonable assurance.

In our opinion, the pro forma financial information has been properly compiled on the basis stated in the pro forma notes. This basis is consistent with the accounting policies of the company.

PricewaterhouseCoopers AG



Patrick Balkanyi
Audit expert



Markus Wandeler
Audit expert

Zurich, May 27, 2011

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ANNEX I

**SHARE PURCHASE AGREEMENT
DATED JUNE 7, 2011
(WITHOUT EXHIBITS)**

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SHARE PURCHASE AGREEMENT

by and among

VENTIZZ CAPITAL FUND III HOLDING COMPANY LLC,

ULRICH REUTNER,

JAN TROMMERSHAUSEN,

and

ROBERT WOLNY,

as Sellers,

EXCEET GROUP AG,

as Company,

HELIKOS AG,

as Purchaser

and

HELIKOS SE,

as Parent

dated

June 7, 2011

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SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT (the “**Agreement**”) is entered into on June 7, 2011 by and among

1. Ventizz Capital Fund III Holding Company LLC, a Delaware limited liability company with its registered office in Wilmington, United States of America
(“**Seller 1**”),
2. Mr. Ulrich Reutner, with his business address at Marktplatz 4, 9004 St. Gallen, Switzerland
(“**Seller 2**”),
3. Mr. Jan Trommershausen, with his business address at Marktplatz 4, 9004 St. Gallen, Switzerland
(“**Seller 3**”),
4. Mr. Robert Wolny, with his business address at Marktplatz 4, 9004 St. Gallen, Switzerland
(“**Seller 4**”),
5. Exceet Group AG, a Swiss stock corporation (*Aktiengesellschaft*) with its registered office in St. Gallen, Switzerland
(the “**Company**”),
6. Helikos AG, a Swiss stock corporation with its registered office in Cham, Switzerland
(“**Purchaser**”),
- and
7. Helikos SE, a *société européenne* under Luxembourg law, with its registered office at 115, avenue Gaston Diderich, L-1420 Luxembourg, Grand Duchy of Luxembourg
(“**Parent**”),

Seller 1, Seller 2, Seller 3 and Seller 4 herein collectively referred to as the “**Sellers**” and each of them as a “**Seller**”, and each Seller, the Company, Purchaser and Parent herein collectively referred to as the “**Parties**” and each of them as a “**Party**”.

RECITALS

- A. WHEREAS, Seller 1 currently is the sole shareholder of the Company and owns all of the issued and outstanding ordinary registered shares of the Company. The issued and outstanding share capital of the Company amounts to CHF 22,287,000.00, divided into 22,287 ordinary registered shares (*Namenaktien*) with a par value of CHF 1,000.00 each (the “**Company Existing Shares**”).
- B. WHEREAS, Seller 3 and Seller 4 currently collectively own 30.44% of the shares of exceet Card Group AG, a subsidiary of the Company, with the remaining shares of exceet Card Group AG being held by the Company.
- C. WHEREAS, Seller 1 intends to hold, after the date hereof but prior to the Closing, a general shareholder meeting of the Company at which Seller 1 (as sole shareholder of the Company) will validly pass resolutions adopting (i) “exceet Group AG” as new company name of the Company, (ii) a share split of all issued and outstanding ordinary registered shares of the Company by 1,000 such that immediately following the implementation thereof, the issued and outstanding share capital of the Company will amount to CHF 22,287,000.00, divided into 22,287,000 ordinary registered shares with a par value of CHF 1.00 each, and (iii) a capital increase in kind of the Company by way of contribution by Seller 3 and Seller 4 of all of their shares of exceet Card Group AG to the Company against the issuance of 3,241,040 new ordinary registered shares of the Company to Seller 2, Seller 3 and Seller 4 so that at Closing the Sellers will be the sole shareholders of the Company.
- D. WHEREAS, the Company, directly or indirectly, owns the interests in the entities (subsidiaries and participations) listed in Exhibit D (such entities and the Company, collectively, the “**Group**”).
- E. WHEREAS, the Group is an integrated international embedded solutions technology group, specialized in embedded intelligent electronics, card-based security technology and embedded security solutions and related businesses.

- F. WHEREAS, Parent is a *société européenne* under Luxembourg law. The issued and outstanding share capital of Parent amounts to EUR 400,000.00, divided into (i) 20,000,000 redeemable Class A shares admitted to trading on the regulated market (Prime Standard sub-segment) of the Frankfurt Stock Exchange (the “**FSE**”) (ISIN: LU0472835155) (the “**Public Shares**”), and (ii) an aggregate number of 6,315,790 Class B shares (the “**Founder Shares**”) being 2,105,264 Class B1 shares, 2,105,263 Class B2 shares and 2,105,263 Class B3 shares. In addition, Parent has issued 20,000,000 Class A warrants admitted to trading on the regulated market of the FSE (ISIN: LU0472839819) (the “**Public Warrants**”) and 10,000,000 Class B warrants (the “**Founder Warrants**”).
- G. WHEREAS, Purchaser is a wholly owned subsidiary of Parent and a Swiss stock corporation. The issued and outstanding share capital of Purchaser amounts to CHF 100,000.00, divided into 1,000 registered shares with a par value of CHF 100.00 each.
- H. WHEREAS, Purchaser intends to acquire from the Sellers (i) by payment of EUR 110,500,000.00 in cash 17,232,947 ordinary registered shares of the Company, and (ii) by transfer of capital stock in Parent 8,295,093 ordinary registered shares of the Company (together, the “**Acquisition**”).
- I. WHEREAS, in connection with the Acquisition, Parent intends to (i) amend the terms and conditions of the Public Warrants to provide for, *inter alia*, modified exercise terms, (ii) amend the terms and conditions of the Founder Shares to modify the conversion terms and the terms and conditions of all outstanding Founder Warrants to permit their redemption and subsequent cancellation and to issue new shares of a newly created class to Mr. Roland Lienau, Eiflia Holding GmbH, a German limited liability company registered with the commercial register of the local court of Bonn under number HRB 9575, and Oranje-Nassau Participaties B.V. (collectively, the “**Founders**”) against contribution in cash (the transactions described under (ii), the “**Founder Transactions**”), (iii) issue to the Sellers against contribution of 8,295,093 ordinary registered shares of the Company 3,069,736 new ordinary shares of the same class as the Public Shares and 9,000,000 new convertible shares of a newly created class, and (iv) increase the share capital of the Company by making a cash contribution to the capital reserves of the Company (the transactions described under (i) through (iv), together with the Acquisition, the “**Transaction**”).
- J. WHEREAS, the Founders and the Sellers intend to enter, on or about the date hereof, into a shareholder agreement with respect to their respective shareholdings in Parent (the “**Shareholder Agreement**”) and the Founders and the Sellers intend to file an application with the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) for the purposes of being granted an exemption from the obligation to launch a mandatory takeover bid to the holders of the Public Shares pursuant to article 4(5) of the Luxembourg Law on Public Takeovers dated May 19, 2006 and preliminary discussions to that effect took place with the CSSF.
- K. WHEREAS, in connection with the Transaction certain members of the administrative board (*Verwaltungsrat*) and the management team of the Company as well as certain members of the senior management of the Group shall be provided an opportunity to participate in a newly established management incentive scheme at the level of Parent.
- L. WHEREAS, the administrative board of the Company has approved this Agreement and the transactions contemplated hereunder and the board of directors of Parent and the administrative board of Purchaser have unanimously approved the Transaction and the terms of this Agreement and deems it advisable and in the best interests of Parent and Purchaser and their respective shareholders to consummate this Agreement and the transactions contemplated hereunder.

NOW, THEREFORE, the Parties agree as follows:

1. THE TRANSACTION

1.1 Closing

Unless this Agreement shall have been terminated and the transactions contemplated hereunder shall have been abandoned, and subject to the satisfaction or waiver of the conditions set forth in Section 2, the closing of the Acquisition (the “**Closing**”) including the consummation of all of the transactions contemplated in Sections 1.2 through 1.11, shall take place simultaneously (unless a specific sequence of any such transactions is explicitly provided for in such Sections) at the offices of Arendt & Medernach, 14 rue Erasme, L-2082 Luxembourg (or any other place or places as mutually agreed upon by the Parties) on the 4th (fourth) Business Day after the date on which each of the conditions set forth in Section 2 has been satisfied or waived (or any other date constituting

a Business Day as mutually agreed upon by the Parties) (the “**Closing Date**”); *provided, however*, that if a general shareholder meeting of Parent has been duly convened and held on or prior to July 8, 2011 at which the quorum required under applicable law and the current articles of association of Parent (the “**Current Parent Articles**”) to validly pass the resolutions approving the Transaction or adopting the amended articles of association of Parent in the form as attached hereto as **Exhibit 1.1** (the “**Amended Parent Articles**”) is not satisfied, then the Closing Date shall be postponed to the 4th (fourth) Business Day after the date on which the Amended Parent Articles have been adopted by a duly convened second general shareholder meeting to be held as soon as practicably possible. As used herein, “**Business Day**” shall mean any day on which banks are open for business in Frankfurt am Main, Germany, the city of Luxembourg, Grand Duchy of Luxembourg, and Zurich, Switzerland.

1.2 Acquisition

- (a) At the Closing and subject to the terms and conditions of this Agreement, the Sellers shall sell to Purchaser, and Purchaser shall purchase from the Sellers, all then issued and outstanding 25,528,040 ordinary registered shares of the Company (the “**Company Shares**”).
- (b) The Company Shares shall be sold and transferred to Purchaser with economic effect (*wirtschaftliche Wirkung*) as of the Closing Date.
- (c) The sale and transfer of the Company Shares shall include the sale and transfer of any and all rights and obligations pertaining to the Company Shares, including, for the avoidance of doubt, the right to profits for the financial year beginning on January 1, 2011.
- (d) The aggregate consideration to be paid by Purchaser to the Sellers for the Company Shares shall be:
 - (i) for the purchase of 17,232,947 Company Shares a cash consideration (the “**Cash Consideration**”) in a total amount of EUR 110,500,000.00 (in words: one hundred and ten million five hundred thousand euro); and
 - (ii) for the purchase of 8,295,093 Company Shares a stock consideration (the “**Stock Consideration**”) comprising:
 - (A) 3,069,736 new public shares of Parent of the same class as the Public Shares (the “**New Public Shares**”);
 - (B) 3,000,000 newly created Class C1 shares of Parent, each having an accounting par value of EUR 0.0152, which within 5 (five) years of the consummation of the Transaction are automatically converted into new Public Shares at a ratio of 1 (one) new Public Share per newly created Class C1 share of Parent on the date on which the Daily VWAP (as defined in the Amended Parent Articles) on any 20 (twenty) out of any 30 (thirty) consecutive trading days following the consummation of the Transaction has at least been equal to EUR 12.00 (in words: twelve euro) (the “**Class C1 Shares**”);
 - (C) 3,000,000 newly created Class C2 shares of Parent, each having an accounting par value of EUR 0.0152, which within 5 (five) years of the consummation of the Transaction are automatically converted into new Public Shares at a ratio of 1 (one) new Public Share per newly created Class C2 share of Parent on the date on which the Daily VWAP (as defined in the Amended Parent Articles) on any 20 (twenty) out of any 30 (thirty) consecutive trading days following the consummation of the Transaction has at least been equal to EUR 13.00 (in words: thirteen euro) (the “**Class C2 Shares**”); and
 - (D) 3,000,000 newly created Class C3 shares of Parent, each having an accounting par value of EUR 0.0152, which within 5 (five) years of the consummation of the Transaction are automatically converted into new Public Shares at a ratio of 1 (one) new Public Share per newly created Class C3 share of Parent on the date on which the Daily VWAP (as defined in the Amended Parent Articles) on any 20 (twenty) out of any 30 (thirty) consecutive trading days following the consummation of the Transaction has at least been equal to EUR 15.00 (in words: fifteen euro) (the “**Class C3 Shares**”, and, together with the Class C1 Shares and the Class C2 Shares, the “**Earn-out Shares**”).
- (e) The Earn-out Shares shall not be listed on any stock exchange and shall have the rights and obligations set forth in the Amended Parent Articles.

1.3 Cash Consideration

- (a) The Parties agree that (i) the Sellers shall fulfill their respective obligations under Section 1.2 to sell and transfer to Purchaser an aggregate number of 17,232,947 Company Shares, and (ii) Purchaser shall fulfill its obligation under Section 1.2 to pay the Cash Consideration, in accordance with this Section 1.3.
- (b) At the Closing and subject to the terms and conditions of this Agreement, 17,232,947 Company Shares (in each case together with the ancillary rights as provided for in Section 1.2(c)), shall be sold and transferred to Purchaser as follows:
 - (i) Seller 1 shall sell and transfer to Purchaser, and Purchaser shall accept such sale and transfer, 15,045,052 Company Shares then held by Seller 1 (the “**Seller 1 Sale Shares**”);
 - (ii) Seller 2 shall sell and transfer to Purchaser, and Purchaser shall accept such sale and transfer, 1,042,335 Company Shares then held by Seller 2 (the “**Seller 2 Sale Shares**”);
 - (iii) Seller 3 shall sell and transfer to Purchaser, and Purchaser shall accept such sale and transfer, 103,225 Company Shares then held by Seller 3 (the “**Seller 3 Sale Shares**”); and
 - (iv) Seller 4 shall sell and transfer to Purchaser, and Purchaser shall accept such sale and transfer, 1,042,335 Company Shares then held by Seller 4 (the “**Seller 4 Sale Shares**” and, together with the Seller 1 Sale Shares, the Seller 2 Sale Shares and the Seller 3 Sale Shares, the “**Company Sale Shares**”).
- (c) Each Seller shall deliver to Purchaser certificates representing the Company Sale Shares then held by it endorsed in blank where necessary (or, to the extent such shares are not certificated, valid assignments in writing relating to the Company Sale Shares held by it) and do all such other acts and deliver such documents as may be required under applicable law to transfer the Company Sale Shares held by it to Purchaser.
- (d) The Cash Consideration shall be allocated and attributable to the Sellers as follows:
 - (i) Seller 1 shall receive EUR 96,470,920.00 (in words: ninety six million four hundred and seventy thousand nine hundred and twenty euro);
 - (ii) Seller 2 shall receive EUR 6,683,593.00 (in words: six million six hundred and eighty three thousand five hundred and ninety three euro);
 - (iii) Seller 3 shall receive EUR 661,895.00 (in words: six hundred and sixty one thousand eight hundred and ninety five euro); and
 - (iv) Seller 4 shall receive EUR 6,683,592.00 (in words: six million six hundred and eighty three thousand five hundred and ninety two euro).
- (e) Purchaser shall pay the portions of the Cash Consideration referred to in Section 1.3(d) by wire transfer of immediately available funds and without any deductions to the account of each Seller as each Seller shall have specified to Purchaser in writing at least 5 (five) Business Days prior to the Closing Date.

1.4 Stock Consideration

- (a) The Parties agree (i) that the Sellers shall fulfill their respective obligations to sell and transfer to Purchaser an aggregate number of 8,295,093 Company Shares by contributing (pursuant to a contribution agreement with Parent on terms set forth in this Section 1.4 (the “**Contribution Agreement**”)) such number of Company Shares to Parent against the issuance by Parent directly to the Sellers of the New Public Shares and the Earn-out Shares in connection with a capital increase in kind of Parent, and (ii) that such issuance by Parent directly to the Sellers of the New Public Shares and the Earn-out Shares shall relieve Purchaser from its obligation to deliver to the Sellers the New Public Shares and Earn-out Shares.
- (b) At the Closing and subject to the terms and conditions of this Agreement, Parent and the Sellers shall enter into the Contribution Agreement pursuant to which:
 - (i) the Sellers shall contribute to Parent an aggregate number of 8,295,093 Company Shares (in each case together with the ancillary rights as provided for in Section 1.2(c)) as follows and Parent shall accept such contributions:
 - (A) Seller 1 shall contribute to Parent 7,241,948 Company Shares then held by Seller 1 (the “**Seller 1 Contribution Shares**”);
 - (B) Seller 2 shall contribute to Parent 501,729 Company Shares then held by Seller 2 (the “**Seller 2 Contribution Shares**”);

- (C) Seller 3 shall contribute to Parent 49,688 Company Shares then held by Seller 3 (the “**Seller 3 Contribution Shares**”); and
- (D) Seller 4 shall contribute to Parent 501,729 Company Shares then held by Seller 4 (the “**Seller 4 Contribution Shares**” and, together with the Seller 1 Contribution Shares, the Seller 2 Contribution Shares and the Seller 3 Contribution Shares, the “**Company Contribution Shares**”);
- (ii) each Seller shall deliver to Parent certificates representing the Company Contribution Shares then held by it endorsed in blank where necessary (or, to the extent such shares are not certificated, valid assignments in writing relating to the Company Contribution Shares held by it) and do all such other acts and deliver such documents as may be required under applicable law to transfer the Company Contribution Shares held by it to Parent; and
- (iii) immediately following such transfers of the Company Contribution Shares to Parent, and in exchange therefor:
 - (A) the board of directors of Parent shall pass a resolution to issue from authorized capital to the Sellers the New Public Shares;
 - (B) the board of directors of Parent shall issue to the Sellers the New Public Shares as follows and each of the Sellers shall accept such issuance:
 - (I) 2,680,002 New Public Shares to Seller 1;
 - (II) 185,673 New Public Shares to Seller 2;
 - (III) 18,388 New Public Shares to Seller 3; and
 - (IV) 185,673 New Public Shares to Seller 4; and
 - (C) Parent shall issue to the Sellers the Earn-out Shares as follows and each of the Sellers shall accept such issuance:
 - (I) 2,619,120 Class C1 Shares, 2,619,120 Class C2 Shares and 2,619,120 Class C3 Shares to Seller 1;
 - (II) 181,455 Class C1 Shares, 181,455 Class C2 Shares and 181,455 Class C3 Shares to Seller 2;
 - (III) 17,970 Class C1 Shares, 17,970 Class C2 Shares and 17,970 Class C3 Shares to Seller 3; and
 - (IV) 181,455 Class C1 Shares, 181,455 Class C2 Shares and 181,455 Class C3 Shares to Seller 4.
- (c) By virtue of a deed by a Luxembourg notary, the consummation of the capital increase of Parent pursuant to this Section 1.4 and the corresponding amendment of the Current Parent Articles shall be acknowledged.

1.5 Transfer of Company Contribution Shares to Purchaser

- (a) Immediately following the transfer of the Company Contribution Shares by the Sellers to Parent, Parent shall transfer to Purchaser, and Purchaser shall accept transfer, all Company Contribution Shares (together with the ancillary rights as provided for in Section 1.2(c)).
- (b) Parent shall deliver to Purchaser certificates representing the Company Contribution Shares endorsed in blank where necessary (or, to the extent such shares are not certificated, valid assignments in writing relating to the Company Contribution Shares) and do all such other acts and deliver such documents as may be required under applicable law to transfer all of the Company Contribution Shares to Purchaser.

1.6 Company Capital Increase against Cash Contribution

Immediately following the transfer of (i) the Company Sale Shares by the Sellers to Purchaser in accordance with Section 1.3, and (ii) the Company Contribution Shares by Parent to Purchaser in accordance with Section 1.5, and subject to the terms and conditions of this Agreement, Parent shall pay to the Company by way of a cash contribution (the “**Cash Contribution**”), and the Company shall allocate to its capital reserves, an amount equal to EUR 85,000,000.00 (in words: eighty five million euro) less:

- (a) the amount of the additional cash payment required to be made by Parent in connection with the Public Warrant Amendment (such amount not to exceed EUR 12,500,000.00 (in words: twelve million five hundred thousand euro));
- (b) the amount required to be paid by Parent in respect of certain bank fees pursuant to Section 10.1(b) (such amount not to exceed EUR 1,500,000.00 (in words: one million five hundred thousand euro));

- (c) the aggregate amount of the cash payments to be made by Parent to prepay the Seller Loans in accordance with Section 1.7(a); and
- (d) up to EUR 51,300,000.00 (in words: fifty one million three hundred thousand euro) of the amount required to be paid by Parent for Public Shares which the holders thereof have validly tendered for redemption in accordance with the Current Parent Articles (except for Public Shares in respect of which any of the Founders has exercised its purchase option under the Current Parent Articles) (the “**Redemption Amount**”);

it being understood among the Parties that the Cash Contribution shall amount to at least EUR 15,000,000.00 (in words: fifteen million euro).

1.7 Prepayment of Seller Loans

- (a) Following the transfer of (i) the Company Sale Shares by the Sellers to Purchaser in accordance with Section 1.3, and (ii) the Company Contribution Shares by Parent to Purchaser in accordance with Section 1.5, and subject to the terms and conditions of this Agreement, Parent shall, by wire transfer in immediately available funds:
 - (i) prepay in full (including interest and any other amounts accrued) on behalf of, and without recourse to, and with debt-discharging effect (*schuldbefreiende Wirkung*) for except Card Group AG, the vendor loan in the nominal amount of EUR 4,350,000.00 (in words: four million three hundred and fifty thousand euro) granted to except Card Group AG by Seller 4 (the “**Seller 4 Loan**”);
 - (ii) prepay (including interest and any other amounts accrued) on behalf of, and without recourse to, and with debt-discharging effect for (A) except Card Group AG, the subordinated shareholder loan in the nominal amount of EUR 5,000,000.00 (in words: five million euro) granted to except Card Group AG by Seller 1 (the “**Seller 1 Loan A**”), and (B) the Company, the subordinated shareholder loan in the nominal amount of EUR 1,050,000.00 (in words: one million fifty thousand euro) granted to the Company by Seller 1 (the “**Seller 1 Loan B**”, and together with the Seller 1 Loan A and the Seller 4 Loan, the “**Seller Loans**”); *provided, however*, that the Seller 1 Loan A and the Seller 1 Loan B shall be prepaid only if and to the extent the Cash Contribution exceeds EUR 15,000,000.00 (in words: fifteen million euro) (the amounts under such Seller Loans to be paid *pro rata*), and Seller 1 hereby waives any right it may have to request from the Company or except Card Group AG the prepayment of its Seller Loans upon Closing (to the extent not prepaid by Parent under this Section 1.7(a)).
- (b) The Company hereby agrees, and the Parties shall procure that except Card Group AG agrees in writing, (i) to any prepayments made by Parent under Section 1.7(a), and (ii) to allocate to their respective capital reserves the amounts of the respective prepayments made on their behalf by Parent.
- (c) Immediately following the prepayments referred to in Section 1.7(a):
 - (i) Seller 1 shall issue and deliver to Parent a certificate, dated the Closing Date, to the effect that the Seller 1 Loan A and the Seller 1 Loan B have been repaid in full (including interest and any other amounts accrued) or in the relevant part, as the case may be, and that the claims of Seller 1 under, or in connection with, the Seller 1 Loan A and the Seller 1 Loan B have been satisfied and discharged in full or in the relevant part, as the case may be; and
 - (ii) Seller 4 shall issue and deliver to Parent a certificate, dated the Closing Date, to the effect that the Seller 4 Loan has been repaid in full (including interest and any other amounts accrued), and that all claims of Seller 4 under, or in connection with, the Seller 4 Loan have been satisfied and discharged in full.

1.8 Public Warrant Amendment

At the Closing and subject to the terms and conditions of this Agreement,

- (a) the terms and conditions of the Public Warrants shall be amended in accordance with clause 10.1 of the current terms and conditions of the Public Warrants as set forth in **Exhibit 1.8(a)** with effect as of the Closing (the “**Public Warrant Amendment**”), subject to the written approval of the Public Warrant Amendment by a majority of the holders of the Public Warrants at a duly convened and held meeting of such holders (the “**Public Warrant Holder Approval**”); and
- (b) Parent shall make the cash payment contemplated under the Public Warrant Amendment to the holders of the Public Warrants (*pro rata* based on their respective holdings of Public Warrants) in an aggregate amount not to exceed EUR 12,500,000.00 (in words: twelve million five hundred thousand euro).

1.9 Founder Transactions

At the Closing and subject to the terms and conditions of this Agreement,

- (a) the terms and conditions of the Founder Shares shall be amended as set forth in the Amended Parent Articles, with effect as of the Closing;
- (b) the agreement between Parent and the Founders to be signed after the date hereof (the “**Founder Agreement**”) amending the terms and conditions of the Founder Warrants shall become effective;
- (c) Parent shall redeem and subsequently cancel all Founder Warrants against a cash payment to the Founders in the amount set forth in the Founder Agreement (the “**Founder Warrant Redemption Amount**”); and
- (d) the Founders shall subscribe for, and Parent shall issue to the Founders, in the aggregate, 1,000,000 new Class B4 shares of Parent (the “**New Founder Shares**”) against contribution in cash by the Founders in an aggregate amount equal to the Founder Warrant Redemption Amount.

1.10 Corporate Matters

At the Closing and subject to the terms and conditions of this Agreement,

- (a) Parent shall deliver resignation letters from each current member of the board of directors of Parent evidencing its resignation from the board of directors of Parent with effect as of the Closing Date;
- (b) the Sellers shall deliver a copy of the minutes of the shareholder meeting of the Company confirming the election, with effect as of the Closing Date, of Dr. Hagen Hultsch, Mr. Dirk-Jan van Ommeren and Mr. Roland Lienau as new members of the administrative board of the Company;
- (c) subject to the adoption of the resolution by the general shareholder meeting of Parent, Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Seller 2, Mr. Hans Hofstetter, Dr. Hagen Hultsch and Mr. Thomas Brauchli shall be appointed as members of the board of directors of Parent;
- (d) Parent shall deliver a copy of the resolutions of the board of directors of Parent confirming that the consummation of the Transaction complies with the requirements set forth in the Current Parent Articles;
- (e) the board of directors of Parent shall pass resolutions *inter alia*
 - (i) approving the issuance of the New Public Shares, the New Founder Shares and the Earn-out Shares in accordance with this Agreement;
 - (ii) approving the establishment of an advisory board (*Beirat*) of Parent, which shall (A) consist of up to 6 (six) members (an equal amount of which shall be representatives or nominees of the Sellers, on the one hand, and of Parent, on the other hand), and (B) in particular advise and assist the management of Parent and the Company in connection with future acquisitions and integrations of target companies; and
 - (iii) approving the adoption of bylaws of the board of directors of Parent which shall provide that two representatives of each of Seller 1 and Wendel S.A. shall be entitled to be present as observers at the meetings of the board of directors of Parent, as long as Seller 1 and Wendel S.A., respectively, hold at least 10% (ten percent) of the issued and outstanding share capital of Parent, if and to the extent permitted under applicable law; and
- (f) the Sellers shall deliver originals of (i) a resolution of the administrative board of the Company approving (A) the sale and transfer of the Company Sale Shares by the Sellers to Purchaser, (B) the contribution of the Company Contribution Shares by the Sellers to Parent, (C) the subsequent sale and transfer of the Company Contribution Shares by Parent to Purchaser, (D) the entry of Purchaser in the share register of the Company as owner of, and a shareholder with voting rights with respect to, the Company Sale Shares, and (E) the entry of Parent and, subsequently, Purchaser in the share register of the Company as owner of, and a shareholder with voting rights with respect to, the Company Contribution Shares, and (ii) the Company’s share register evidencing Purchaser as owner of, and a shareholder with voting rights with respect to, the Company Sale Shares and the Company Contribution Shares.

1.11 Closing Memorandum

At Closing, the Parties shall execute a closing memorandum confirming the satisfaction or waiver, as the case may be, of each of the conditions set forth in Section 2 and the due performance or waiver, as the case may be, of each of the transactions contemplated in Sections 1.2 through 1.10.

2. CONDITIONS PRECEDENT

2.1 Conditions Precedent to Obligations of Parties

The respective obligations of each of the Parties to carry out the Closing are subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions precedent

- (a) At the Closing Date, there is no law, statute, rule, regulation, injunction, order or decree of any nature by any court or governmental authority, or any pending proceeding seeking such order or decree, restraining or prohibiting the consummation of this Agreement or any of the transactions contemplated hereunder.
- (b) The approval of the Transaction in accordance with the Current Parent Articles and the adoption of the Amended Parent Articles by the holders of Public Shares (including resolutions adopting (i) the change of the corporate name of Parent to “exceet Group SE”, (ii) the creation of the Earn-out Shares, (iii) the amendment of the rights and obligations of the Founder Shares, (iv) the reduction of the authorized capital of Parent and renewal of the authorization period, (v) the determination of the number of the board of directors of Parent, the acknowledgement of the resignation by the current members of the board of directors of Parent and granting their discharge as well as the appointment of Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Seller 2, Mr. Hans Hofstetter, Dr. Hagen Hultzsich and Mr. Thomas Brauchli as members of the board of directors of Parent, and (vi) the granting of a proxy to the board of directors of Parent in relation to the resolutions taken) (the “**Parent Shareholder Approval**”) at a duly held extraordinary general shareholder meeting of Parent (a “**Parent EGM**”) shall have been duly obtained.
- (c) The number of outstanding Public Shares validly tendered for redemption by the holders thereof (excluding (i) any Public Shares in respect of which requests by such holders for redemption have been validly withdrawn, and (ii) any Public Shares in respect of which any of the Founders shall have exercised its option to purchase such Public Shares from such holders, in each case in accordance with the Current Parent Articles) shall represent less than 35% (thirty five percent) of the number of all outstanding Public Shares.
- (d) The Public Warrant Holder Approval shall have been duly obtained.
- (e) The Cash Contribution shall amount to at least EUR 15,000,000.00 (in words: fifteen million euro).
- (f) A valuation report shall have been delivered by a Luxembourg independent auditor (*réviseur d’entreprises agréé*) confirming, in accordance with article 26-1 of the Luxembourg Companies Law, that the aggregate value of the Company Contribution Shares is at least equal to the sum of (i) the aggregate accounting par value of the New Public Shares and any share premium thereon, and (ii) the aggregate accounting par value of the Earn-out Shares and any share premium thereon.
- (g) The Shareholder Agreement shall have been executed by the parties thereto and not terminated by any party thereto (other than for cause set by any other party thereto).
- (h) Merger control clearance or approval or confirmation that no merger control filing is required in relation to the Transaction in Germany has been obtained or the relevant time period pursuant to Section 40(1) or (2) of the German Act against Restraints on Competition has expired.

2.2 Conditions Precedent to Obligations of Purchaser and Parent

The respective obligations of Purchaser and Parent to carry out the Closing are subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions precedent:

- (a) Following the valid adoption of corresponding resolutions by Seller 1 as the then sole current shareholder of the Company at a duly convened and held general shareholder meeting of the Company, (i) all 22,287 ordinary registered shares of the Company issued and outstanding as of the date hereof shall have been split at a ratio of 1 : 1,000 resulting in the issued and outstanding share capital of the Company amounting to CHF 22,287,000.00, divided into 22,287,000 ordinary registered shares with a par value of CHF 1.00 each, and (ii) immediately following such share split, the share capital of the Company shall have been increased by way of a contribution by Seller 3 and Seller 4 of all of their shares of exceet Card Group AG to the Company against the issuance of 1,544,064 new registered shares of the Company to Seller 2, 152,913 new registered shares of the Company to Seller 3 and 1,544,063 new registered shares of the Company to Seller 4 (all such 3,241,040 new shares of the Company, the “**Company New Shares**”).
- (b) Each Seller and the Company shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions contained in this Agreement, to be performed or complied with by each of them prior to or on the Closing Date.

- (c) The representations and warranties (*selbständige Garantiever sprechen*) of the Sellers contained in Section 4.2 shall be true and accurate in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except, in each case, for those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate as of such date or with respect to such period.
- (d) The representations and warranties of the Company contained in Section 6.2 shall be true and accurate as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except, in each case, for those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate as of such date or with respect to such period, and except to the extent that the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, have a Material Adverse Effect. As used herein, “**Material Adverse Effect**” shall mean any event, circumstance or change which, individually or collectively, has, or would reasonably be expected to have, a material adverse effect amounting to no less than (i) EUR 15,000,000.00 (in words: fifteen million euro) on the Group’s shareholder’s equity, business or assets, or (ii) EUR 5,000,000.00 (in words: five million euro) on the Group’s financial condition or results of operations, in each case whether or not arising in the ordinary course of business, or any other effect which could impair the ability of the Sellers to consummate, or could otherwise materially adversely affect, the transactions contemplated hereunder; *provided, however*, that any change or effect arising out of (i) general economic conditions (including general developments of capital markets) or conditions affecting companies generally in the industries in which the Group operates, or (ii) any change after the date hereof in applicable laws or interpretations thereof, shall be excluded.
- (e) Since the date of this Agreement the business of the Group has been conducted in the ordinary course consistent with past practice, and there shall not have been any event, development, change or effect that has, or is reasonably likely to have, a Material Adverse Effect.
- (f) Parent shall have received a certificate of each of the Sellers, dated the Closing Date, to the effect that the conditions specified in Sections 2.2(b) and (c), as applicable to it, have been satisfied, and that the transfers of the Company Shares to Purchaser referred to in Sections 1.3 and 1.4 has been approved by the administrative board of the Company.
- (g) Parent shall have received a certificate signed by the members of the administrative board of the Company, dated the Closing Date, to the effect that the conditions specified in Sections 2.2(b), (d) and (e), as applicable to the Company, have been satisfied.
- (h) Parent shall have received evidence that each lender under financing arrangements between such lender and any member of the Group, as borrower, which individually exceeds an amount of EUR 3,000,000.00 (in words: three million euro) has irrevocably waived in writing its right to accelerate any loan, or cancel any commitment, granted thereunder, in each case whether whole or in part, based on the consummation of any one or more of the transactions contemplated hereunder.
- (i) Parent shall have received on the day of publication of the proxy statement relating to the Parent EGM (together with all amendments thereof or supplements thereto, the “**Proxy Statement**”) (i) a confirmation letter issued by PricewaterhouseCoopers AG, Zurich, with respect to the financial statements and other financial data of the Group to be included in the Proxy Statement, (ii) a legal opinion issued by Lenz & Staehelin with respect to certain Swiss law matters, and (iii) a disclosure letter issued by Latham & Watkins LLP with respect to the disclosure relating to the Group to be included in the Proxy Statement, each dated as of such date and in form and substance as agreed with Parent.

2.3 Conditions Precedent to Obligations of Sellers and the Company

The obligations of each Seller and the Company to carry out the Closing is subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions precedent:

- (a) The general shareholder meeting of Parent shall have appointed, subject to the occurrence, and with effect as of, the Closing Date, Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Seller 2, Mr. Hans Hofstetter, Dr. Hagen Hultzsich and Mr. Thomas Brauchli as members of the board of directors of Parent.
- (b) The Founder Agreement shall have been executed and shall remain in full force and effect and all conditions for the Founder Transactions to become effective shall have been satisfied (except for the condition that the Closing hereunder shall have occurred).

- (c) Each of Purchaser and Parent shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions contained in this Agreement, to be performed or complied with by it prior to or on the Closing Date.
- (d) The representations and warranties of Purchaser and Parent contained in Section 7.2 shall be true and accurate in all material respects as of the Closing Date as if made at and as of such date (except, in each case, those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and accurate in all material respects as of such date or with respect to such period).
- (e) Sellers shall have received a certificate of each of Purchaser and Parent, dated the Closing Date, to the effect that the conditions specified in Sections 2.3(c) and (d), as applicable to it, have been satisfied.

2.4 Waiver of Conditions Precedent

The Sellers, Parent and Purchaser may at any time jointly waive, in whole or in part, any of the conditions precedent set forth in Section 2.1, except for the conditions precedent set forth in Section 2.1(b) through (d), by mutual written agreement. Parent and Purchaser may at any time jointly waive any of the conditions precedent set forth in Section 2.2 by giving written notice thereof to the Sellers. The Sellers may at any time jointly waive any of the conditions precedent set forth in Section 2.3 by giving written notice thereof to Parent and Purchaser. The effect of any such waiver shall be limited to eliminating the need that the respective condition precedent be satisfied to carry out the Closing.

2.5 Mutual Information

The Parties shall notify each other without undue delay after any of the conditions precedent has been satisfied or any event, fact or condition occurs or exists that makes it impossible to satisfy any of the conditions precedent.

3. RIGHT TO RESCISSION

- (a) In the event that no Parent EGM has been duly convened and held on or prior to July 8, 2011 at which resolutions have been validly passed (i) approving the Transaction by the required majority of the votes of the Public Shares validly cast, and (ii) adopting the Amended Parent Articles by the required majority of votes validly cast, then the Sellers may jointly, but not severally, rescind (*zurücktreten*) this Agreement by written notice to the other Parties within 10 (ten) Business Days after such date, unless the above-mentioned prerequisites for such right to rescind are fulfilled solely because the quorum required under applicable law and the Current Parent Articles to pass any or all of such resolutions was not satisfied.
- (b) In the event that no special meeting of the holders of Public Warrants has been duly convened and held on or prior to July 8, 2011 at which a majority of such holders have validly approved the Public Warrant Amendment, then the Sellers may jointly, but not severally, rescind this Agreement by written notice to the other Parties within 10 (ten) Business Days after such date.
- (c) In the event that the Closing has not occurred on or prior to September 15, 2011, the Sellers may jointly (but not severally) rescind this Agreement by written notice to the other Parties within 5 (five) Business Days after such date; *provided, however*, that the non-occurrence of the Closing is not attributable to a breach of this Agreement by the Sellers.
- (d) Sections 10.1 through 10.5 and 10.7 through 10.13 shall remain unaffected in the event of a rescission pursuant to Section 3(a) through (c). Any and all claims of the Sellers and any and all claims of Parent and Purchaser (in each case with the exception of claims on the basis of Sections 10.1 through 10.5 and 10.7 through 10.13) shall be excluded in case of a rescission pursuant to Section 3(a) through (c).

4. REPRESENTATIONS AND WARRANTIES OF THE SELLERS

4.1 General

Each of the Sellers hereby represents and warrants severally, but not jointly, and solely with respect to itself, to Parent and Purchaser by way of an independent guarantee pursuant to Section 311(1) of the German Civil Code (*Bürgerliches Gesetzbuch*) (“BGB”) that the statements set forth in Section 4.2 are true and correct (*richtig*) at

the date of this Agreement and will be true and correct on the Closing Date (hereinafter referred to as the “**Sellers’ Representations and Warranties**”). The subject and scope of the Sellers’ Representations and Warranties are exclusively set out in this Section 4 and the remedies and liability of the Sellers are exclusively set out in Sections 5 and 10.8, whereas the limitations of liability pursuant to Section 5 and 10.8 form an integral part of the Sellers’ Representations and Warranties by mutual consent. None of the Sellers’ Representations and Warranties pursuant to this Agreement is a guarantee of quality (*Garantie über die Beschaffenheit*) pursuant to Sections 443 and 444 of the BGB.

4.2 Representations and Warranties

(a) Due Organization and Power

- (i) Seller 1 is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.
- (ii) Seller 1 has all requisite corporate power and authority, and each of Seller 2, Seller 3 and Seller 4 has the legal capacity, to enter into this Agreement and to perform its respective obligations hereunder.

(b) Authorization and Validity of Agreement

- (i) The execution, delivery and performance by Seller 1 of this Agreement and the consummation by Seller 1 of the transactions contemplated hereunder have been duly authorized by all necessary limited liability company action, including the approval of the directors and requisite shareholders of Seller 1, and no other action, corporate or otherwise, on the part of any Seller is or will be necessary for the execution, delivery and performance by such Seller of this Agreement and the consummation by it of the transactions contemplated hereunder.
- (ii) This Agreement has been duly executed and delivered by each Seller and is a valid and binding obligation of each Seller, enforceable against each of them in accordance with its terms.
- (iii) Seller 2 has obtained, and Seller 3 does not require, their respective spouse’s consent pursuant to Section 1365 of the BGB for the entering into or the performance of this Agreement. Seller 4 does not require his spouse’s consent pursuant to applicable law for the entering into or the performance of this Agreement.

(c) No Proceedings, No Conflict

- (i) There is no lawsuit or proceeding pending, or, to the Knowledge of each Seller, threatened, against any Seller to challenge, prevent or frustrate any Seller from consummating the transactions contemplated hereunder.
- (ii) The execution, delivery and performance by each Seller of this Agreement, and the consummation by each Seller of the transactions contemplated hereunder, do not violate any provision of the certificate of formation or limited liability company agreement of Seller 1, any law applicable to any Seller or any decision by any court or governmental authority binding on any Seller.

(d) Ownership of Company Shares

- (i) The Company Existing Shares are, and upon their issuance the Company New Shares will be, validly issued, fully paid up and non-assessable (*keine Nachschusspflicht*);
- (ii) At the date of this Agreement, Seller 1 is the sole, direct, legal and beneficial owner of the Company Existing Shares, and on the Closing Date each Seller will be the sole, direct, legal and beneficial owner of the Company Sale Shares and the Company Contribution Shares to be sold by it to Purchaser hereunder;
- (iii) The Company Existing Shares are, and upon their issuance the Company New Shares will be, free and clear of any encumbrances (*Belastungen*) or other third party rights (*frei von Rechten Dritter*) and the Company Existing Shares are not, and upon their issuance the Company New Shares will not be, subject to any contract restricting or otherwise relating to the voting, dividend rights or disposition of such Company Existing Shares or Company New Shares and there are no options, pre-emption rights, shareholder agreements, trust agreements, sub-participations or other agreements with respect to the Company.
- (iv) Except for the contemplated issuance of the Company New Shares referred to in Section 2.2(a), there are no other equity interests in the Company authorized, issued, reserved for issuance or outstanding and there is no legal obligation by which the Company is, or may be, bound to issue, redeem, purchase or sell additional equity interests or securities convertible into, or exchangeable for, any other equity interest in the Company.

(e) **Conduct of Business**

Since April 1, 2011 until the date hereof, no Seller has carried out, permitted, consented to or approved of any of the acts set forth in Section 8.1 requiring shareholder action.

(f) **Information on Sellers in Proxy Statement**

The information relating to each Seller included in the Proxy Statement shall not (i) at the date of the distribution of the Proxy Statement to the holders of the Public Shares (or any amendment or supplement thereto), or (ii) at each date of a Parent EGM contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. If, at any time prior to a Parent EGM, any event or circumstance relating to any of the Sellers should be discovered by the Sellers which should be set forth in an amendment or supplement to the Proxy Statement, the Sellers shall promptly inform Parent, and the Parties shall cooperate reasonably in connection with preparing and disseminating any such required amendment or supplement.

4.3 Seller's Knowledge

To the extent any of the Sellers' Representations and Warranties under Section 4.2 is made based on the "Knowledge" of a Seller, the knowledge will only be attributed to (i) Seller 1 if a person listed in **Exhibit 4.3**, or (ii) any other Seller if such other Seller, had positive knowledge (*positive Kenntnis*) of the relevant fact or other matter.

4.4 No Other Representations and Warranties of the Sellers

Subject to the Sellers' Representations and Warranties expressly contained in this Agreement, Purchaser confirms that in deciding on the Transaction it has not relied on nor will it make any claim against the Sellers or any other person in respect of any budget, forecast, estimate or other projection of any nature (including without limitation of projections of future revenues, future results of operations, future cash flows, future financial condition or the future business operations (or any underlying components thereof) made available to Purchaser or its advisors prior to the date hereof.

5. REMEDIES

5.1 General; Recoverable Damages

- (a) If any of the Sellers' Representations and Warranties is untrue or incorrect (a "**Breach**"), Parent and Purchaser shall be entitled to request from the respective Seller to put Parent or Purchaser or, at the discretion of Parent or Purchaser, any member or members of the Group in the position Parent, Purchaser or such member or members of the Group would have been in had such statement been true and correct (restitution in kind) (*Naturalrestitution*).
- (b) If, in the event of a Breach, the respective Seller is unable to provide restitution in kind within 1 (one) month after having been duly notified by Parent or Purchaser in writing in accordance with Section 5.3 or if the respective Seller rejects in writing to provide restitution in kind or the provision of restitution in kind is impossible then, subject to the terms and conditions contained in this Agreement, and in particular in this Section 5, Parent and Purchaser shall only be entitled to claim monetary compensation (*Schadensersatz in Geld*) from the respective Seller for any Losses incurred by Parent or Purchaser or, at the discretion of Parent or Purchaser, any member or members of the Group. Sections 249 *et seq.* of the BGB shall apply to the extent not modified or extended in this Agreement. As used herein, "**Losses**" shall mean all actual damages (within the meaning of Sections 249 *et seq.* of the BGB) incurred, excluding (i) any potential or actual reduction in value (*Minderung*) of the relevant member or members of the Group beyond the actual damage incurred, and (ii) any internal administration and overhead costs.
- (c) The present value of any benefits actually received by Parent or Purchaser or any member or members of the Group in connection with or as result of a Breach (including, without limitation, avoided losses, tax benefits and savings, and increases in the value of any asset owned by the members of the Group (*Abzug neu für Alt*)) shall be deducted for the purpose of computing the Losses (*Vorteilsausgleich*) in accordance with Section 252 of the BGB.

- (d) The respective Seller shall not be liable for any Breach if and to the extent that:
- (i) either Parent or Purchaser or, following the Closing Date, a member or members of the Group or their respective representatives have caused or participated in causing (*verursacht oder mitverursacht*) or have aggravated such Breach or any Losses resulting therefrom or failed to mitigate Losses pursuant to Section 254 of the BGB;
 - (ii) the Losses are actually recovered (or could reasonably have been recovered, but were not recovered for reasons attributable solely to Parent or Purchaser) from a third party (other than any member or members of the Group) or under an insurance policy in force on the Closing Date (including in the event that such policy was not maintained after the Closing Date);
 - (iii) the Losses result from or are increased by the passing of, or any change in, after the Closing Date, any law, statute, ordinance, rule, regulation, common law rule or administrative practice of any government, governmental department, agency or regulatory body including (without prejudice to the generality of the foregoing) any increase in the rates of taxes or any imposition of taxes or any withdrawal or relief from taxes not actually in effect as of the Closing Date; or
 - (iv) the Losses were caused or increased by the failure of Parent or Purchaser to comply with the obligations under Section 5.3, unless (and to the extent that) Parent or Purchaser proves that the respective Seller was not prejudiced by such failure.

5.2 Knowledge of Parent or Purchaser

Section 442(1) of the BGB applies with respect to claims of Parent or Purchaser pursuant to Section 5.1 to the extent not modified or extended in the following provision of this Section 5.2. In particular, the Sellers are not liable pursuant to Section 5.1, if the facts or circumstances which constitute the untrue or incorrect statement are disclosed elsewhere in this Agreement (including the Exhibits to this Agreement) or the Proxy Statement; *provided* that the disclosure of information relevant for a Breach is reasonably apparent (*erkennbar*) and fairly disclosed.

5.3 Notification of Seller

- (a) In the event of a potential claim against any Seller for a Breach, Parent or Purchaser shall, without undue delay, but in any event no later than 45 (forty five) Business Days from becoming aware of any event, fact or circumstance which could result in a claim pursuant to this Section 5, notify such Seller of such alleged claim in writing (telefax sufficient), thereby describing, to the extent possible, the relevant details on which such claim is based, and, to the extent possible, estimate the amount of such claim.
- (b) The Sellers and their professional advisors shall be granted reasonable access to relevant books and other documents and to the personnel and the premises of the business concerning the claim, and such books and documents shall be made available at such premises or any other place mutually agreed upon, subject to reasonable notice, and for a reasonable period.

5.4 Limitation on Liability

The aggregate maximum liability of each Seller for a Breach shall be limited to an amount equal to the sum of (i) the respective portion of the Cash Consideration allocated and attributable to such Seller pursuant to Section 1.3(d), and (ii) the value of the New Public Shares and the Earn-out Shares allocated and attributable to such Seller pursuant to Section 1.4(b)(ii).

5.5 Time Limitation

All claims of Parent or Purchaser for a Breach shall become time-barred (*verjähren*) within five years following the Closing Date, unless notified to the respective Seller in accordance with Section 5.3. Section 203 of the BGB shall not apply.

5.6 Exclusion of Further Liability and Other Legal Remedies

- (a) Any and all rights and remedies under statutory representations and warranties (*gesetzliche Gewährleistungsrechte*) (Sections 434 *et seq.* of the BGB), statutory, contractual or pre-contractual obligations (Sections 280 through 284, 311, 311a, 323 *et seq.* of the BGB), frustration of contract (*Störung der Geschäftsgrundlage*) (Section 313 of the BGB), unjustified enrichment (*ungerechtfertigte Bereicherung*) (Sections 812 *et seq.* of the BGB) or tort (*Deliktsrecht*) (Sections 823 *et seq.* of the BGB), which Parent or Purchaser may otherwise have against any Seller for a Breach, shall be excluded. Furthermore, Parent and

Purchaser shall have no rights of rescission (*Rücktritt*), reduction of the purchase price (*Minderung*), avoidance (*Anfechtung*) or any other form of reversal (*Rückabwicklung*) or termination of this Agreement, nor any claims against any Seller or its representatives, agents and/or advisors as a result of any mistake (*Irrtum*) about or as a result of any disturbance (*Störung*) or disappearance (*Wegfall*) of the basis of the transaction (*Geschäftsgrundlage*) (Section 313 of the BGB), as a result of a Breach, in each case except as otherwise expressly provided for in this Agreement.

- (b) The Parties acknowledge and agree by way of contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 of the BGB that no representative, employee, agent or advisor of any Seller or their Affiliates shall be liable *vis-à-vis* Parent or Purchaser, their respective Affiliates or the members of the Group under or in connection with the negotiation or execution of this Agreement.
- (c) Any exclusion of liability pursuant to this Agreement shall not apply in cases of willful misconduct (*Vorsatz*) or willful deceit (*arglistige Täuschung*) by a Seller.

5.7 Third Party Claims

- (a) In the event that any action, claim, demand or proceeding with respect to which a Seller may be liable under this Agreement (the “**Third Party Claim**”) is asserted or announced by any third party (including any governmental authority) against Parent, Purchaser or any member of the Group (the “**Claim Addressee**”), Parent and Purchaser shall have the right to defend the Claim Addressee by all actions and shall have, at any time during the proceedings, the sole power to direct and control such defense but shall endeavor to adequately take into account the reasonable interests of the Sellers and consult with them on any material action in connection with the defense.
- (b) Parent and Purchaser will endeavor, and shall cause the Claim Addressee (i) to fully cooperate in the defense of any Third Party Claim, (ii) to diligently conduct the defense to the extent commercially reasonable, (iii) not to acknowledge or settle the Third Party Claim without the respective Seller’s prior written consent not to be unreasonably withheld, and (iv) to provide the respective Seller’s representatives access, upon reasonable advance notice and during normal business hours, to all relevant books and records, other information, premises and personnel of the Company. Any costs and expenses incurred by Parent or Purchaser in connection with the cooperation or defense in accordance with this Section 5.7(b) shall be borne by Parent or Purchaser or the respective Claim Addressee, except for any Losses to be indemnified by any Seller under Section 5.1; *provided* that each Seller shall be responsible for its own costs and expenses incurred in connection with any Third Party Claim.
- (c) The failure of any Claim Addressee to comply with any of its obligations under Sections 5.7(a) or (b) shall release the respective Seller from its obligations under this Section 5, unless (and to the extent that) Parent or Purchaser proves that the respective Seller was not prejudiced by such failure.

5.8 Treatment of Payments by a Seller

To the extent permissible under applicable law, each payment by any Seller to Parent or Purchaser pursuant to this Section 5 shall be deemed to be and treated as a reduction of the relevant portion of the Consideration as between such Seller and Purchaser.

6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

6.1 General

The Company hereby represents and warrants to Parent and Purchaser by way of an independent guarantee pursuant to Section 311(1) of the BGB that the statements set forth in Section 6.2 are true and correct at the date of this Agreement and will be true and correct on the Closing Date. None of the representations and warranties of the Company pursuant to this Agreement is a guarantee of quality pursuant to Sections 443 and 444 of the BGB.

6.2 Representations and Warranties

- (a) Due Organization and Power
 - (i) Each member of the Group (i) has the legal form, and (ii) is duly formed or incorporated and validly existing under the laws of the jurisdiction of its incorporation, in each case as set forth in **Exhibit D**.

- (ii) The Company has all corporate or similar power and authority to enter into this Agreement and to perform its obligations hereunder, and each member of the Group has all corporate or similar power and authority to own, lease and operate its properties and to carry out its business as currently conducted.
- (b) Authorization and Validity of Agreement
 - (i) Except as otherwise provided for herein, the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereunder have been duly authorized by all necessary corporate action and no other action, corporate or otherwise, on the part of the Company is or will be necessary for the execution, delivery and performance by the Company of this Agreement and the consummation by it of the transactions contemplated hereunder.
 - (ii) This Agreement has been duly executed and delivered by the Company and is a valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as specifically contemplated hereunder or as limited by laws affecting the enforcement of creditors' rights generally.
- (c) No Proceedings, No Conflict
 - (i) There is no lawsuit or proceeding pending, or, to the Best Knowledge of the Company, threatened, against the Company to challenge, prevent or frustrate the Company from consummating the transactions contemplated hereunder.
 - (ii) The execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the transactions contemplated hereunder, do not violate any provision of its articles of association, organizational rules, any law applicable to the Company or any decision by any court or governmental authority binding on the Company.
 - (iii) The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereunder, do not result in a violation or breach of, constitute a default (with or without notice or lapse of time, or both) under, give rise to any right of termination, cancellation or acceleration of, or the trigger of any material charge, fee, payment or requirement of consent under, or result in the creation or imposition of any material encumbrance on any material asset of any member of the Group pursuant to any Material Contract to which any member of the Group is a party or by which any member of the Group is bound, except for such violations, breaches and defaults (or rights of termination, cancellation or acceleration or encumbrances) as to which requisite waivers or consents have been obtained or which would not reasonably be expected to result in a Material Adverse Effect.
- (d) No other Equity Interests
 - (i) **Exhibit D** sets forth a true, correct and complete list, as of the date hereof, of all of the outstanding equity interests in each member of the Group. Each such outstanding equity interest is duly authorized, validly issued, and in case of a corporation, fully paid and non-assessable, and is directly legally and beneficially owned of record by the holders set forth in **Exhibit D**, free and clear of any encumbrances or other third party rights (except as disclosed in **Exhibit D**).
 - (ii) Except as listed in **Exhibit D**, there are no other equity interests in any member of the Group issued or outstanding and there is no legal obligation by which any member of the Group is, or may be, bound to issue, redeem, purchase or sell additional equity interests or securities convertible into, or exchangeable for, any other equity interest in any member of the Group.
 - (iii) No member of the Group holds any equity interests in any person other than the members of the Group issued or outstanding and there is no legal obligation by which any member of the Group is, or may be, bound to issue, redeem, purchase or sell additional equity interests or securities convertible into, or exchangeable for, any other equity interest in any person other than the members of the Group.
- (e) Conduct of Business

Except as otherwise contemplated by this Agreement and except as disclosed in the Proxy Statement, to the Best Knowledge of the Company, since April 1, 2011 until the date hereof, no member of the Group has carried out, permitted, consented to or approved of any of the acts set forth in Section 8.1.
- (f) No Inter-Company Agreements

Except for the Seller Loans and service agreements with Seller 2, Seller 3 and Seller 4 and except as disclosed in the Proxy Statement (under "*Certain relationships and related transactions of except Group AG*"), no contractual relationships exist between any member of the Group, on the one hand,

and any Seller or any Affiliate of any Seller (other than members of the Group), on the other hand. As used herein “**Affiliates**” (*verbundene Unternehmen*) shall have the meaning ascribed to it in Section 15 *et seq.* of the German Stock Corporation Act.

(g) No Liquidation or Insolvency

- (i) No shareholder resolution has been adopted to liquidate any member of the Group.
- (ii) No bankruptcy or insolvency proceedings have been opened, nor has such opening been applied for or was rejected due to lack of assets, against any member of the Group under applicable local law and no circumstances exist that would justify or require the opening of such proceedings with respect to any member of the Group.

(h) Financial Statements

- (i) The audited consolidated financial statements of the Group as of, and for the financial years ending on December 31, 2010, December 31, 2009 and December 31, 2008, comprising a consolidated balance sheet, a consolidated income statement, a consolidated statement of cash flows, a consolidated statement of changes in equity and notes thereto (the “**Consolidated Financial Statements**”) (A) have been prepared, in accordance with IFRS, consistent with the principles used in the financial statements in the respective previous year (unless otherwise disclosed to Parent or in the notes to the Consolidated Financial Statements), (B) give a true and fair view of the financial position of the Group as of December 31, 2010, December 31, 2009 and December 31, 2008 and the results of operation and the cash flows for each of the three financial years then ended, and (C) have been audited by PricewaterhouseCoopers AG, Zurich, and an unqualified auditor’s report has been attached to the Consolidated Financial Statements.
- (ii) The unaudited consolidated interim financial statements of the Group as of, and for the three months ended on March 31, 2011, comprising a condensed consolidated balance sheet, a condensed consolidated income statement, a condensed consolidated statement of cash flows, a condensed consolidated statement of changes in equity and notes thereto (the “**Interim Financial Statements**”) (A) have been prepared, in accordance with IFRS, consistent with the principles used in the financial statements in the respective previous financial year (unless otherwise disclosed in the notes to the Interim Financial Statements), and (B) give a true and fair view of the financial position of the Group as of March 31, 2011 and the results of operation and the cash flows for the three months then ended.
- (iii) The unaudited pro forma financial information of the Company comprising the pro forma balance sheet as of March 31, 2011, the pro forma income statement for the financial year ended December 31, 2010, the pro forma income statement for the three months ended March 31, 2011 and the notes thereto set forth in **Exhibit 6.2(h)(iii)** (the “**Pro Forma Financial Information**” and, together with the Consolidated Financial Statements and the Interim Financial Statements, the “**Financial Statements**”) have been prepared in accordance with Annex II of the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, and have been properly compiled on the basis stated therein.

(i) No Material Adverse Effect; No Undisclosed Liabilities

- (i) Except for the acquisitions of AuthentiDate International AG and Contec Steuerungstechnik und Automation Gesellschaft m.b.H. (“**Contec**”), since April 1, 2011, the business of the Group has been conducted in the ordinary course consistent with past practice, and there have not been any events, changes or developments which would reasonably be expected to have, or in the last twelve months have had, a Material Adverse Effect.
- (ii) No member of the Group has any obligations or liabilities exceeding EUR 500,000.00 (in words: five hundred thousand euro) (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due) which would be required to be set forth on a balance sheet prepared in accordance with generally accepted accounting principles applicable to it, except (A) liabilities reflected in the balance sheet of such member of the Group as of March 31, 2011 or the notes thereto, (B) liabilities incurred since April 1, 2011 in the ordinary course of business consistent with past practice or incurred as a result of the acquisitions of AuthentiDate International AG or Contec, (C) liabilities incurred in connection with the transactions contemplated hereunder, and (D) obligations and liabilities set forth in **Exhibit 6.2(i)(ii)**.

(j) Real Estate; Material Assets

- (i) Except as disclosed in the Proxy Statement, no material real property is leased by any member of the Group as tenant. No material default by any member of the Group exists under any material lease with respect to such leased real property.

- (ii) Except for the real property in Küssnacht am Rigi, Switzerland and the real property in Ebbs, Austria (the “**Owned Real Property**”), no member of the Group owns any real property. On May 23, 2011, Contec has acquired additional real property in Ebbs, Austria (the “**Additional Real Property**”). The consummation of the acquisition of the Additional Real Property is expected to occur in June 2011. With respect to the Owned Real Property and the Additional Real Property (A) GS Swiss PCB AG owns the Owned Real Property in Küssnacht am Rigi, free and clear of all encumbrances, except for the servitudes and charges registered in the land register excerpt (*Grundbuchauszug*) dated March 30, 2011, (B) Contec owns the Owned Real Property in Ebbs, Austria, free and clear of all encumbrances, (C) the land register excerpt dated June 3 2011 shows all servitudes and charges with regard to the Additional Real Property, (D) there are no material outstanding options or rights of first refusal in favor of any other person to purchase or lease the Owned Real Property or the Additional Real Property or any portion thereof or interest therein, and (E) there are no material leases, subleases, options, rights or other agreements affecting any portion of the Owned Real Property or the Additional Real Property.
- (iii) Each member of the Group has good title to all of the material assets (other than Owned Real Property and the Additional Real Property) reflected in the balance sheet of such member of the Group as of March 31, 2011 or the notes thereto as being owned and all material assets thereafter acquired by any member of the Group (except to the extent that such assets have been disposed of after the date of the latest balance sheet in the Financial Statements in the ordinary course of business consistent with past practice or pursuant to existing contracts), and all other material assets used in the business of the Group are leased or licensed by a member of the Group, or such member of the Group has another contractual right to use such material assets, except where the failure to have such title or rights would not have, and would not reasonably be expected to have, a Material Adverse Effect.

(k) Intellectual Property

- (i) “**Intellectual Property**” shall mean (A) all patents and utility models, (B) all material trademarks, trade names, service marks, copyrights, brand names, logos and corporate names, (C) all material internet uniform resource locator and domain name registrations, and (D) all applications (whether or not already published) for any of the foregoing, in each case relating to the business of the Group and owned and/or used by, or licensed to, any member of the Group in any jurisdiction. Exhibit 6.2(k)(i) sets forth an accurate and complete list of all material registered Intellectual Property including, as applicable, the jurisdiction, application, issuance and/or registration number(s) and associated date(s), title and status thereof.
- (ii) Except as disclosed on Exhibit 6.2(k)(i), no material registered Intellectual Property owned by any member of the Group is subject to any court decision restricting or impairing, nor is there, to the Best Knowledge of the Company, any court proceeding or opposition or nullity action pending, that could restrict and/or impair the use, licensing, exercise, practice and/or other exploitation thereof by any member of the Group.
- (iii) Except as disclosed on Exhibit 6.2(k)(i), to the Best Knowledge of the Company, no member of the Group has received after March 31, 2011 and prior to the date hereof any written notice or claim (A) challenging the ownership of any member of the Group in, or the validity or enforceability of, any of the Intellectual Property owned by any member of the Group, (B) alleging or asserting that any of the material registered Intellectual Property owned by any member of the Group is owned by a third party or is invalid or unenforceable, or (C) alleging or asserting that the conduct of the business by any member of the Group or the use by any member of the Group of the registered Intellectual Property has infringed any third party intellectual property rights.
- (iv) Except as disclosed in the Proxy Statement, the Group is not dependent on any individual patents or licenses or group of patents or licenses or on any other intellectual property rights of third parties for the manufacture of its products or the provision of its services.

(l) Material Contracts

- (i) Except as disclosed in the Proxy Statement or in Exhibit 6.2(l)(ii), there are no Material Contracts still outstanding or in effect as of the date of this Agreement. As used herein, “**Material Contracts**” shall mean any contract (i) under which any member of the Group has incurred or guaranteed indebtedness of any other person (other than of any other member of the Group) exceeding, individually, EUR 1,000,000.00 (in words: one million euro), (ii) involving a material acquisition, divestiture, merger or similar transaction that has not been consummated or any material joint venture or partnership, (iii) pursuant to which the Companies have granted any exclusive marketing, sales representative relationship, consignment or distribution right to any third person, or (iv) with the same

party or group of affiliated parties (other than leases for leased real property) the performance of which involves consideration exceeding EUR 1,000,000.00 (in words: one million euro), in each case except for contracts entered into in the ordinary course of business.

- (ii) Except as disclosed in Exhibit 6.2(I)(ii), to the Best Knowledge of the Company, no member of the Group is (with or without the lapse of time or the giving of notice, or both) in breach or default of or under any Material Contract and, to the Best Knowledge of the Company, no other party to any Material Contract is (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder, except for breaches and defaults which would not reasonably be expected to result in a Material Adverse Effect.
- (iii) Except as disclosed in Exhibit 6.2(I)(ii), to the Best Knowledge of the Company, no member of the Group has received any written notice of the intention of any person to terminate any Material Contract.

(m) Customers and Suppliers

- (i) No current customer of the Group accounts for more than 10% (ten percent) of the Group's aggregate sales volume for the financial year ended on December 31, 2010.
- (ii) To the Best Knowledge of the Company, none of the material customers or suppliers of any member of the Group has notified any member of the Group that such material customer or supplier intends to terminate its relationship with any member of the Group.
- (iii) Except as disclosed in Exhibit 6.2(m)(iii), there is no individual current supplier the loss of which by the Group would have, or would reasonably be expected to have, a Material Adverse Effect.

(n) Environmental Matters

Each member of the Group (i) has complied (to the extent still relevant on the date hereof) and is in compliance with all material environmental laws applicable to the business activities of the Group, and (ii) has obtained and is in compliance with all Permits that are required pursuant to such material environmental laws for the occupation of its facilities and the operation of its business, except in each case where the failure to do so would not have, and would not reasonably be expected to have, a Material Adverse Effect. To the Best Knowledge of the Company, no member of the Group has received any written notice, report or other information regarding any actual or alleged material violation of such environmental laws, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any material investigatory, remedial or corrective obligations relating to any of them or their facilities arising under such environmental laws.

(o) Compliance with Laws; Licenses and Permits

- (i) Except as disclosed in the Proxy Statement, each member of the Group is, and to the Best Knowledge of the Company has been (to the extent still relevant on the date hereof), in compliance in all material respects with all laws applicable to it, except where past non-compliance would not reasonably be expected to have a Material Adverse Effect.
- (ii) Except as disclosed in the Proxy Statement, each member of the Group owns, holds or possesses all material permits, licenses, franchises, orders, consents, approvals and authorizations from governmental authorities ("**Permits**") necessary to entitle it to own or lease, operate and use its assets and to conduct its business. To the Best Knowledge of the Company, each such Permit held or possessed by any member of the Group is in full force and effect in all material respects and each member of the Group is in compliance in all material respects with such Permits, except where past non-compliance would not reasonably be expected to have a Material Adverse Effect.

(p) No Legal Proceedings

- (i) Except as disclosed in the Proxy Statement, there are no legal or administrative actions or proceedings pending or, to the Best Knowledge of the Company, threatened against any member of the Group or any of their respective assets with an amount claimed in excess of EUR 1,000,000.00 (in words: one million euro).
- (ii) Except as disclosed in the Proxy Statement, there are no government interventions, lawsuits, arbitration proceedings or official proceedings pending or, to the Best Knowledge of the Company, threatened against any member of the Group or any of their respective assets that (A) involve a value at stake in excess of EUR 1,000,000.00 (in words: one million euro), or (B) might have, or in the last twelve months have had, a Material Adverse Effect.

(q) No Request to Repay Subsidies

Except as disclosed in the Proxy Statement, no written or, to the Best Knowledge of the Company, oral notice has been received by any member of the Group requesting, or notifying any member of the Group of any intent to request, the repayment of all or part of any public subsidy received by any member of the Group.

(r) Proxy Statement

The information relating to the Company and the Group included in the Proxy Statement shall not (i) at the date of the distribution of the Proxy Statement to the holders of the Public Shares (or any amendment or supplement thereto), or (ii) at each date of a Parent EGM contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. If, at any time prior to a Parent EGM, any event or circumstance relating to any of the Sellers or the Company should be discovered by the Company which should be set forth in an amendment or supplement to the Proxy Statement, the Company shall promptly inform Parent, and the Parties shall cooperate reasonably in connection with preparing and disseminating any such required amendment or supplement.

(s) Disclosure

All information provided by or on behalf of the Company to Parent or its advisors in connection with their due diligence enquiries or similar requests for information in connection with the Transaction has been prepared with due care, and has been supplied in good faith and such information was, subject to the terms on which it was supplied, when supplied, true and accurate and not misleading in all material respects and has been updated properly in all material respects until the date hereof, or will have been updated properly in all material respects until the Closing Date, as applicable.

6.3 Company's Best Knowledge

To the extent any of the representations and warranties under Section 6.2 is made based on the "Best Knowledge" of the Company, the knowledge will only be attributed to it, if any member of the Company's administrative board or management board had positive knowledge of the relevant fact or other matter or should have known such fact or other matter following reasonable inquiry of any director (*Vorstand* or *Geschäftsführer*) of any member of the Group who would reasonably be expected to know the relevant subject matter.

6.4 Remedies

If, prior to the date of a Parent EGM, Parent or Purchaser becomes aware that any of the preceding representations and warranties of the Company set forth in Section 6.2 is untrue or incorrect, Parent and Purchaser may jointly rescind this Agreement by written notice to each other Party within 10 (ten) Business Days thereafter and shall be under no obligation to carry out the Closing, unless the failure of such representations and warranties to be true and correct does not have, and would reasonably be expected not to have, individually or in the aggregate, a Material Adverse Effect.

7. REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

7.1 General

Each of Parent and Purchaser hereby represents and warrants severally, but not jointly, and solely with respect to itself, to the Sellers by way of an independent guarantee pursuant to Section 311(1) of the BGB that the statements set forth in Section 7.2 are true and correct at the date of this Agreement and will be true and correct on the Closing Date. None of the representations and warranties of Parent or Purchaser pursuant to this Agreement is a guarantee of quality pursuant to Sections 443 and 444 of the BGB.

7.2 Representations and Warranties

(a) Due Organization and Power

- (i) Parent is a *société européenne* duly incorporated and validly existing under Luxembourg law and Purchaser is a stock corporation duly incorporated and validly existing under Swiss law.
- (ii) Each of Parent and Purchaser has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder.

(b) Authorization and Validity of Agreement

- (i) The execution, delivery and performance by Parent and Purchaser of this Agreement and the consummation by Parent and Purchaser of the transactions contemplated hereunder have been duly authorized by the board of directors of Parent and the administrative board of Purchaser, respectively, and no other corporate action or authorization on the part of Parent or Purchaser (other than any corporate action specifically contemplated hereunder, including without limitation the Parent Shareholder Approval) is or will be necessary for the execution, delivery and performance by Parent or Purchaser of this Agreement and the consummation by Parent or Purchaser of the transactions contemplated hereunder.
- (ii) This Agreement has been duly executed and delivered by each of Parent and Purchaser and is a valid and binding obligation of Parent and Purchaser, enforceable against each of them in accordance with its terms, except as specifically contemplated hereunder or as limited by laws affecting the enforcement of creditors' rights generally.
- (iii) Except for the condition precedent contained in Section 2.1(h), the execution, delivery and performance by Parent and Purchaser of this Agreement and the consummation by Parent and Purchaser of the transactions contemplated hereunder require no approval or consent by any governmental authority.

(c) No Proceedings, No Conflict

- (i) There is no lawsuit or proceeding pending, or, to the Best Knowledge of Parent or Purchaser, threatened, against Parent or Purchaser to challenge, prevent or frustrate Parent or Purchaser from consummating the transactions contemplated hereunder.
- (ii) The execution, delivery and performance by Parent or Purchaser of this Agreement and the consummation by Parent or Purchaser of the transactions contemplated hereunder do not violate the Current Parent Articles (after giving effect to the amendments thereto contemplated hereunder), any applicable law or decision by any court or governmental authority binding on Parent or Purchaser.

(d) Escrow Account

As of the date of this Agreement and immediately prior to the Closing, Parent or a wholly-owned subsidiary of Parent has and will have no less than EUR 200,000,000.00 (in words: two hundred million euro) invested in an escrow account (the “**Escrow Account**”) held with Deutsche Bank AG, London branch. All such funds without any deductions are, and (except for the Redemption Amount) will be on the Closing Date, available to be used to effect the transactions contemplated hereunder.

(e) New Public Shares and Earn-out Shares

All New Public Shares and Earn-out Shares will, upon their issuance at Closing in accordance with this Agreement and the Contribution Agreement, be validly issued, free of any third party rights and will conform to the description thereof in the Amended Parent Articles.

(f) Absence of Undisclosed Liabilities

Neither Parent nor Purchaser has any obligations or liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due) which would be required to be set forth on a balance sheet prepared in accordance with the accounting principles applicable to it, except (A) liabilities incurred in the ordinary course of business consistent with past practice, (B) liabilities reflected on the balance sheet of Parent as of March 31, 2011 or the notes thereto, included in the consolidated financial statements of Parent as of, and for the three months ended on, March 31, 2011, (C) immaterial liabilities, (D) liabilities incurred in connection with the transactions contemplated hereunder, and (E) obligations and liabilities otherwise expressly disclosed (or within any materiality threshold contained in any other representation and warranty) in this Agreement (including the Exhibits hereto).

(g) Conduct of Business

Except as otherwise contemplated by this Agreement and except as disclosed in the Proxy Statement, since April 1, 2011, the respective businesses of Parent and Purchaser have been conducted only in the ordinary course consistent with past practice.

7.3 Remedies

In case any of the preceding representations and warranties of Parent or Purchaser set forth in Section 7.2 is untrue or incorrect, Section 5 shall apply *mutatis mutandis*; *provided* that any claims of the Sellers against Parent or Purchaser (other than claims for specific performance and damages *in lieu* of specific performance) shall be capped at an aggregate amount of EUR 3,000,000.00 (in words: three million euro) and shall become time-barred after expiration of 6 (six) months after the Closing Date; and *provided further*, that each Seller hereby waives any right, title, interest or claim of any kind it may have in or to any monies held in the Escrow Account for the benefit of the holders of the Public Shares if the Closing does not occur and the general shareholder meeting of Parent has validly adopted resolutions on the dissolution and liquidation of Parent in accordance with applicable law and the Current Parent Articles.

8. COVENANTS

8.1 Conduct of Business until Closing

- (a) Each of the Sellers and, to the extent permissible under applicable law, the Company agrees that, except as permitted, required or specifically contemplated by this Agreement, or as otherwise consented to in writing by Parent, during the period commencing on the date hereof and ending on the Closing Date
 - (i) the businesses of each member of the Group shall be conducted in the ordinary course of business consistent with past practice;
 - (ii) neither any of the Sellers nor any member of the Group shall (A) amend the articles of association, bylaws, or similar constitutional documents of any member of the Group, (B) issue, deliver or sell, redeem or authorize the issuance, delivery, redemption or sale of, any capital stock or other equity interests of any member of the Group, or (C) amend (including, but not limited to, by way of a split, subdivision, combination or other reorganization) any term of any outstanding capital stock or other equity interests of any member of the Group;
 - (iii) no member of the Group shall declare, set aside or pay any dividend or distribution or other capital return in respect of its equity interests except in respect of any dividends, distributions or returns paid from one member of the Group to another member of the Group;
 - (iv) no member of the Group shall change its auditor and, except as required or permitted by the relevant generally applicable accounting principles, materially change any accounting methods, principles or practices;
 - (v) no member of the Group shall dispose of any material fixed assets (*Anlagevermögen*) or, except in the ordinary course of business, enter into, terminate or materially modify any Material Contract or any contract that would be a Material Contract if in existence on the date hereof;
 - (vi) no member of the Group shall (i) acquire by merger or consolidation with, or merge or consolidate with, or purchase substantially all of the equity interests or assets of, or otherwise acquire, whether in a single transaction or series of related transactions, any material business of any corporation, partnership, association or other business organization or division thereof, or (ii) be wound-up or liquidated;
 - (vii) no member of the Group shall (A) make any loans, advances, capital commitments or guarantees for the benefit of any third party, in excess of EUR 50,000.00 (in words: fifty thousand euro) individually or EUR 100,000.00 (in words: one hundred thousand euro) in the aggregate, (B) create, incur or assume any debt in excess of an aggregate of EUR 100,000.00 (in words: one hundred thousand euro), (C) make any capital expenditures in excess of EUR 50,000.00 (in words: fifty thousand euro) individually or EUR 100,000.00 (in words: one hundred thousand euro) in the aggregate, or (D) cancel any third party indebtedness in excess of EUR 50,000.00 (in words: fifty thousand euro) in the aggregate owed to the Group;
 - (viii) no member of the Group shall make any material change in the terms and conditions of employment of any of its (i) directors, (ii) officers, or (iii) groups of senior employees as a whole or in a material part; provided however, that the Parties agree that the service agreement of Fabian Rau, the vice president marketing of the Group, shall be renewed or extended prior to Closing;
 - (ix) no member of the Group shall settle any action, suit, investigation or other proceeding involving payment by any member of the Group of money damages or waiver or release of any material rights or claims in excess of EUR 50,000.00 (in words: fifty thousand euro); and

- (x) neither any member of the Group nor any Seller shall agree with any third party, whether in writing or otherwise, to do any of the foregoing.
- (b) Each of the Sellers and the Company agrees that neither any member of the Group nor any Seller shall, during the period commencing on the date hereof and ending on the Closing Date, undertake any other action that would be reasonably likely to materially adversely impede the consummation of the Transaction.
- (c) Except as required or specifically contemplated by this Agreement, or as otherwise consented to in writing by Parent, each of the Sellers and the Company agrees that neither any member of the Group nor any Seller shall, during the period commencing on the date hereof and ending on the Closing Date, conduct, create, permit, consent to or approve of any of the following acts
 - (i) any dividend or other distribution or return of capital (whether by reduction of capital or purchase of shares) to any Seller;
 - (ii) any transfer or surrender of any asset to, or assumption of or indemnification from any liability (including, without limitation, any indebtedness, expenses or costs) for the benefit of any Seller;
 - (iii) any waiver or release of any claims in favor of any Seller;
 - (iv) any levy of any management charge or fee of any nature or payment of outstanding loan amounts or reimbursement of costs or expenses by, or for the benefit of, any Seller; or
 - (v) any agreement or arrangement, after the date hereof but before Closing having an effect post Closing, with any Seller or any of its partners or shareholders to give effect to any of the matters referred to in this Section 8.1(c).

8.2 Access to Information; Confidentiality; Public Announcements

- (a) From the date hereof until the Closing, the Company shall give, and the Sellers shall cause each member of the Group to give, to Parent and Purchaser and their respective employees, officers and representatives reasonable access at all reasonable times upon reasonable notice to the properties, books and records of each member of the Group and to furnish such information and documents in their possession relating to any member of the Group as Parent or Purchaser may reasonably request; *provided* that neither Parent nor Purchaser shall be entitled to any such access, information or documents that would interfere unreasonably with the conduct of the business of the Group.
- (b) Each Party will keep, and will cause its respective Affiliates and their own and their Affiliates' directors, officers, employees, accountants, counsel, financial advisors and other representatives to keep, the existence, subject matter and contents of this Agreement, and any information disclosed in connection with this Agreement, secret and confidential *vis-à-vis* any third parties to the extent required by, and in accordance with, the provisions of the confidentiality agreement, dated December 2, 2010 between Parent and Seller 1. The foregoing shall not apply to any information (i) publicly known, (ii) disclosed in connection with the public announcement of the Transaction, or (iii) required to be disclosed by law or applicable stock exchange regulations (including, for the avoidance of doubt, any information contained in the Proxy Statement).
- (c) The Parties shall consult with each other before disclosure of press releases or other public announcements pertaining to the existence, subject matter and contents of this Agreement and such disclosure shall be made by any Party only with prior written consent of the other Parties, except as required by law, official directive or by applicable stock exchange regulations; *provided* that the respective other Parties shall be consulted to the extent legally admissible.

8.3 FSE Listing

Parent shall use its reasonable best efforts to cause (including, without limitation, by making all necessary filings and taking all necessary corporate or other actions to cause) the New Public Shares to be admitted to listing on the regulated market (*Regulierter Markt*) of the FSE and on the sub-segment thereof with additional post-admission obligations (*Prime Standard*) as soon as practicable after the issuance thereof; and the Company agrees to cooperate with Parent with respect to the preparation of any disclosure relating to the Group to be included in any securities prospectus of Parent which may have to be prepared and filed with the CSSF and notified to the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* under Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, in respect of such listing. The same shall apply with respect to the Earn-out Shares upon their conversion into Public Shares.

8.4 No Solicitation

Each of the Sellers and the Company shall not, and will cause their respective Affiliates, employees, agents and representatives not to, directly or indirectly, solicit or enter into discussions or transactions with, or encourage, or provide any information to, any person (other than Parent, Purchaser and their respective representatives) concerning any sale of a significant portion of the assets of any member of the Group or merger or sale (directly or indirectly) of their respective equity interests in any member of the Group, any recapitalization of any member of the Group or similar transaction with respect to any member of the Group or their respective businesses.

8.5 Parent EGM

- (a) Parent shall, as promptly as practicable following the date of this Agreement, (i) cause the Proxy Statement to be made available to the holders of the Public Shares, (ii) ensure that, for purposes of obtaining the Parent Shareholder Approval, an extraordinary general shareholder meeting of Parent will be duly convened and held on or prior to July 8, 2011, and (iii) if the quorum required under applicable law and the Current Parent Articles to validly pass the resolutions approving the Transaction or adopting Amended Parent Articles is not satisfied at such general shareholder meeting, ensure that a second general shareholder meeting will be duly convened and held without undue delay.
- (b) Parent shall propose to the holders of the Public Shares that Mr. Dirk-Jan van Ommeren, Mr. Roland Lienau, Seller 2, Mr. Hans Hofstetter, Dr. Hagen Hultzsich and Mr. Thomas Brauchli shall be appointed as members of the board of directors of Parent.

8.6 Parent Warrant Holder Approval

Parent shall, as promptly as practicable following the date of this Agreement, ensure that, for purposes of obtaining the Parent Warrant Holder Approval, a special meeting of the holders of the Public Warrants will be duly convened and held on or prior to the date of the Parent EGM.

8.7 Lock-up

- (a) Seller 1 shall not, for a period ending 6 (six) months after the Closing Date, and each other Seller shall not, for a period ending 12 (twelve) months after the Closing Date
 - (i) offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Public Shares or any other securities of Parent, including securities convertible into or exercisable or exchangeable for Public Shares;
 - (ii) conclude any swap agreements that would transfer the economic risk of ownership of Public Shares to a third party;
 - (iii) make any demand for, or exercise any right with respect to registration under U.S. securities laws of any Public Shares or any security convertible into or exercisable or exchangeable for Public Shares;
 - (iv) without the prior written consent of Parent, to the extent permitted by Luxembourg corporate law, propose any increase in the share capital to the general shareholder meeting of Parent, vote in favor of such a proposed increase or otherwise support any proposal for the issuance of any security convertible into Public Shares, with option rights for Public Shares, whether directly or indirectly; or
 - (v) enter into a transaction or perform any action economically similar to those described above.
- (b) The aforementioned selling restrictions do not apply to disposals within the framework of a public takeover bid. Further excluded are transactions by a Seller with its Affiliates, as well as the conveyance of an indirect interest in Parent through the members of the management or the board of directors, if it can be ensured that the purchaser is subject to the same selling restrictions as the respective Seller.

8.8 Non-Compete; Non-Solicitation

- (a) During the period of two years after the Closing Date (the “**Non-Competition Period**”), each Seller (other than Seller 1) undertakes, and, to the extent legally possible, will cause its Affiliates
 - (i) not to, directly or indirectly, design, create, manufacture, market or sell any products which are competitive to the current products of the Group (including, without limitation, embedded electronic systems, smart cards or security solutions) or otherwise compete with the business of the Group as currently conducted in the countries in which the Group is currently active (“**Competitive Products and Services**”); and

- (ii) not to hold or acquire, directly or indirectly, personally or through other individuals or legal entities, any interest (irrespective of equity or debt or other) in a company or business (including conducted as a sole proprietorship) engaged in the design, creation, manufacturing, marketing or sale of any Competitive Products and Services, except for holding shares in any publicly listed company for investment purposes only, provided that all shares held in such company shall not represent more than 5% (five percent) of any class of shares in such company, and provided further that no other direct or indirect relationship exists with such company.
- (b) During the Non-Competition Period, no Seller (excluding Seller 1) will, and (to the extent permitted by law) each Seller (excluding Seller 1) will cause its Affiliates not to, directly or indirectly, contact, approach, solicit, or aid or assist any person to solicit, any employees, agents or representatives of any member of the Group to terminate their employment with such member of the Group, except where such person
 - (i) responds to a public job advertisement;
 - (ii) contacts such Seller or any of its Affiliates on his or her own initiative without any solicitation from them; or
 - (iii) is put forward by a recruitment consultant and such recruitment consultant has not been engaged or given specific instructions to direct recruitment activity at such person.
- (c) Without limiting the generality of the foregoing, each Seller (other than Seller 1) agrees that during the Non-Competition Period it will not, directly or indirectly, serve as a consultant to, any person that designs, creates, manufactures, markets, sells, or provides any Competitive Products and Services.

8.9 Merger Control

The Parties shall, without undue delay (*unverzüglich*) after the date of this Agreement and after having obtained the required information, submit a joint precautionary merger control filing to the German Federal Cartel Office. Each of Seller 1 and Parent shall be entitled to participate in all written and oral correspondence, including meetings with the German Federal Cartel Office.

8.10 No Market Manipulation

Each of the Sellers and the Company agrees with Purchaser and Parent not to (and to cause its Affiliates not to) take, directly or indirectly, any action which is designed to or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any securities of Parent (including the Public Shares and the Public Warrants).

9. MANAGEMENT INCENTIVE PROGRAM

- (a) The Parties agree that as soon as reasonably possible after the Closing Date, certain members of the administrative board and the management team of the Company as well as certain members of the senior management of the Group shall be provided an opportunity to participate in a newly established management incentive program at the level of Parent (the “**Management Incentive Program**”).
- (b) Seller 1 and Parent agree to jointly establish, and to cooperate in such establishment of, the Management Incentive Program as soon as reasonably practical after the date hereof.

10. MISCELLANEOUS

10.1 Expenses and Costs

- (a) Except as otherwise stated in this Agreement, each Party shall bear all costs and expenses (including investment banking, advisory, legal, accounting and other) incurred by it in connection with the preparation and negotiation, execution, performance and consummation of this Agreement and all other transactions contemplated hereunder.
- (b) Notwithstanding the foregoing, Parent shall reimburse Seller 1 for costs incurred by Seller 1 in connection with bank fees; *provided, however*, that (i) such reimbursement shall not exceed the amount of EUR 1,500,000.00 (in words: one million five hundred thousand euro), (ii) Seller 1 shall have provided to Parent evidence satisfactory to Parent that such costs have actually been incurred by Seller 1, and (iii) the Closing shall have occurred.

- (c) Each Party bears the taxes which are levied on it as a consequence of the signing and/or closing of this Agreement.

10.2 No Set-Off; No Right of Retention

Except as provided otherwise herein, neither Parent or Purchaser nor any Seller shall be entitled (i) to set off (*aufrechnen*) any rights or claims it may have against any rights or claims any Seller or Parent or Purchaser, as the case may be, may have under this Agreement, or (ii) to refuse to perform any obligation it may have under this Agreement on the grounds that it has a right of retention (*Zurückbehaltungsrecht*), unless the rights or claims to be set-off (including, for payment claims, the amount) or the right of retention have been acknowledged (*anerkannt*) in writing by Parent or Purchaser or the respective Seller or have been established by a final decision (*rechtskräftig festgestellt*) of a competent court (*Gericht*) or arbitral tribunal (*Schiedsgericht*).

10.3 Notices

- (a) All notices, declarations or other communications under this Agreement shall be made in writing and shall be deemed to have been duly given only if (i) delivered personally (with written receipt), (ii) sent per fax (provided that an original is sent immediately per courier or registered mail (with notice of receipt)), or (iii) delivered per courier or registered mail (with notice of receipt). The electronic form (*e.g.*, e-mail) shall not substitute the written form. Any notices shall be delivered to the following addresses and fax numbers (or another address or fax number, which one Party communicates to the other Parties pursuant to this Section 10.3).

Seller 1:	Ventizz Capital Fund III Holding Company LLC
Attn.:	Mr. Hans Hofstetter
Address:	c/o Schoch Auer & Partner Marktplatz 4 9004 St. Gallen Switzerland
Fax:	+41 (71) 227 8485
With a copy to:	
Mr. Stefan Süß	Dr. Roland Maass
Address:	Address:
c/o Latham & Watkins	c/o Latham & Watkins
Maximilianstrasse 11	Reuterweg 20
80539 Munich	60323 Frankfurt am Main
Germany	Germany
Fax: +49 89 2080 3 8080	Fax: +49 69 6062 6700

Seller 2:	Mr. Ulrich Reutner
Address:	Marktplatz 4 9004 St. Gallen Switzerland
Fax:	+41 (71) 227 8455
With a copy to:	
Mr. Stefan Süß	Dr. Roland Maass
Address:	Address:
c/o Latham & Watkins	c/o Latham & Watkins
Maximilianstrasse 11	Reuterweg 20
80539 Munich	60323 Frankfurt am Main
Germany	Germany
Fax: +49 89 2080 3 8080	Fax: +49 69 6062 6700

Seller 3:	Mr. Jan Trommershausen
Address:	Marktplatz 4 9004 St. Gallen Switzerland +41 (71) 227 8455
Fax:	
With a copy to:	
Mr. Stefan Süss	Dr. Roland Maass
Address:	Address:
c/o Latham & Watkins	c/o Latham & Watkins
Maximilianstrasse 11	Reuterweg 20
80539 Munich	60323 Frankfurt am Main
Germany	Germany
Fax: +49 89 2080 3 8080	Fax: +49 69 6062 6700

Seller 4:	Mr. Robert Wolny
Address:	Marktplatz 4 9004 St. Gallen Switzerland +41 (71) 227 8455
Fax:	
With a copy to:	
Mr. Stefan Süss	Dr. Roland Maass
Address:	Address:
c/o Latham & Watkins	c/o Latham & Watkins
Maximilianstrasse 11	Reuterweg 20
80539 Munich	60323 Frankfurt am Main
Germany	Germany
Fax: +49 89 2080 3 8080	Fax: +49 69 6062 6700

Company:	Exceet Group AG
Attn.:	Mr. Ulrich Reutner
Address:	Marktplatz 4 9004 St. Gallen Switzerland +41 (71) 227 8455
Fax:	
With a copy to:	
Mr. Hans Hofstetter	
Address:	c/o Schoch Auer & Partner Marktplatz 4 9004 St. Gallen Switzerland +41 (71) 227 84 85
Fax:	

Purchaser:	Helikos AG
Attn.:	Mr. Peter Schöpfer
Address:	c/o BeBuFina GmbH Birkenstraße 47 6343 Rotkreuz Switzerland +41 (41) 783 23 84
Fax:	
With a copy to:	
Oranje-Nassau Participaties	
Address:	Rembrandt Tower, 22nd floor, Amstelplein 1, P.O. Box 95105, 1090 HC Amsterdam, The Netherlands +31 20 56 77 170
Fax:	

Parent:	Helikos SE
Attn.:	Mr. Roland Lienau
Address:	115, avenue Gaston Diderich L-1420 Luxembourg, Grand Duchy of Luxembourg +352 26 29 91 37
Fax:	
With a copy to:	
Oranje-Nassau Participaties	
Address:	Rembrandt Tower, 22nd floor, Amstelplein 1, P.O. Box 95105, 1090 HC Amsterdam, The Netherlands +31 20 56 77 170
Fax:	
With a copy to:	
Wendel	
Address:	Direction juridique 89, Rue Taitbout 75009 Paris France

The effective (*wirksame*) delivery of a notice, declaration or other communication under or in connection with this Agreement to any Party does not require the delivery of a copy to the persons/institutions listed in the paragraphs under “with a copy to:”.

- (b) A notice, declaration or other communication shall be deemed to have been received (i) on the date stated on the receipt by the addressee for hand delivery, (ii) on the next Business Day following the sending of the facsimile, for facsimiles or (iii) upon confirmed receipt of mailing, for registered mail and on the date of courier delivery.

10.4 Service of Process

Seller 1 hereby appoints Mr. Hans Hofstetter, business address: c/o Schoch, Auer & Partner Rechtsanwälte, Marktplatz 4, 9004 St. Gallen, Switzerland, as its agent for service of process (*Zustellungsbevollmächtigter*) for all legal or arbitral proceedings involving Seller 1 arising out of or in connection with this Agreement. Seller 1 agrees that any document relating to such proceedings may be effectively served on it by service on such agent for service of process. The afore-described agency shall only terminate upon appointment of another individual as agent for service of process domiciled in Switzerland or Germany and reasonably acceptable to Parent and Purchaser. The appointment of the new agent for service of process and the termination of the current agent for service of process shall only become effective if and when notified to Parent and Purchaser in writing by Seller 1.

10.5 Entire Agreement

This Agreement (including the Exhibits hereto), together with the documents referred to herein, constitutes the entire and exclusive agreement and understanding of the Parties and supersedes all prior agreements and negotiations, both written and oral, express or implied, among the Parties with respect to the matters set forth in this Agreement.

10.6 Written Form

Any amendment of this Agreement, including this Section 10.6, shall be valid only if made in writing, except where a stricter form is required under applicable law.

10.7 No Assignment

This Agreement and any rights and obligations hereunder cannot be transferred or assigned in whole or in part to any third party without the prior written consent of the other Parties hereto.

10.8 Joint and Several Liability

The Sellers shall only be severally liable (no joint and several liability (*teilschuldnerische Haftung, keine gesamtschuldnerische Haftung*)) with respect to any claims and obligations under or in connection with this Agreement.

10.9 Severability

Should a provision of this Agreement, or a provision included in this Agreement at a later point in time, be or become invalid or null and void as a whole or in part, or should a gap in this Agreement become evident, this

does not affect the validity of the remaining provisions or parts thereof. The invalid or null and void provision shall be deemed replaced, or the gap shall be deemed filled, as the case may be, with effect *ex tunc* by such valid regulation which in legal and economic terms comes closest to what the Parties intended or would have intended in accordance with the purpose of this Agreement if they had considered the point at the time of conclusion of this Agreement. The Parties are aware of the decision of the Federal Supreme Court (*Bundesgerichtshof*) of September 24, 2002. However, it is the express intent of the Parties that this Section 10.9 shall not be construed as a mere reversal of the burden of proof (*Beweislastumkehr*) but rather as a contractual exclusion of Section 139 of the BGB in its entirety.

10.10 German Terms

The terms set forth in this Agreement in German language shall take precedence over corresponding English terminology, if any, in interpreting the contents of the pertinent contractual provisions and be interpreted in accordance with the meaning of that German term under German law or Swiss law, as applicable, as would be customary in contracts in German language.

10.11 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

10.12 Dispute Resolution

- (a) If any dispute arises in connection with this Agreement, the responsible representatives of the Parties concerned shall attempt, in fair dealing and in good faith, to settle such dispute. If a Party provides written notification to another Party that such attempt has failed, then each Party concerned shall promptly appoint in writing a senior representative duly authorized to resolve such dispute. Each Party concerned shall give notice of the appointment of such senior representative to the other Party concerned and such senior representatives shall attempt to reach an amicable settlement. If such senior representatives have not been appointed and/or are not able to reach an amicable settlement within a time period of 20 (twenty) Business Days after the appointment of the first senior representative or such other time period as the Parties may agree in writing, then either Party concerned may initiate arbitral pursuant to Section 10.12(c). Nothing in this Section 10.12 shall limit the right of the Parties to seek relief intended to preserve the status quo or interim measures, such as preliminary injunctions, from any court of competent jurisdiction and/or the arbitral tribunal.
- (b) If a claim in dispute may become time barred due to an applicable time limitation, the Parties concerned shall agree upon a tolling (*Hemmung*) of such time limitation during the settlement process set forth in this Section 10.12. If the Parties concerned are unable to reach an agreement on such tolling sufficiently in advance of the claim in dispute becoming time-barred, the Party whose claim may become time-barred may initiate arbitral proceedings as described below irrespective of the prerequisites of this Section 10.12.
- (c) As also set forth in a separate arbitration agreement among the Parties dated on or about the date hereof, a copy of which is attached hereto as **Exhibit 10.12(c)**, all disputes in connection with this Agreement or its validity, which are not settled pursuant to Section 10.12(a), shall be finally settled in accordance with the Arbitration Rules of the German Institution of Arbitration e.V. (*Deutsche Institution für Schiedsgerichtsbarkeit – DIS*) as applicable from time to time without recourse to the ordinary courts of law. The arbitral tribunal shall consist of three arbitrators. Each arbitrator shall be eligible for office of a judge (*Befähigung zum Richteramt*) in Germany. The seat of arbitration shall be Frankfurt am Main, Germany. The language to be used in the arbitration proceedings shall be English provided that any document in the German language or the French language shall not be required to be translated into the English language.

10.13 No Rights for Third Parties

This Agreement shall only constitute rights and duties for the Parties and does not constitute an agreement to the benefit of a third party (*Vertrag zugunsten Dritter*) or an agreement with beneficial consequences for third parties (*Vertrag mit Schutzwirkung für Dritte*), unless explicitly agreed otherwise in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

Ventizz Capital Fund III Holding Company LLC
as Seller 1

By: _____
Name:
Title:

Mr. Ulrich Reutner
as Seller 2

Mr. Jan Trommershausen
as Seller 3

Mr. Robert Wolny
as Seller 4

Exceet Group AG
as Company

By: _____
Name: Mr. Hans Hofstetter
Title: Member of the
Administrative Board

By: _____
Name: Mr. Thomas Brauchli
Title: Member of the
Administrative Board

Helikos AG
as Purchaser

By: _____
Name: Dirk-Jan van Ommeren
Title: President of the
Board of Directors

Helikos SE
as Parent

By: _____
Name: Roland Lienau
Title: Member of the
Board of Directors

By: _____
Name: Dirk-Jan van Ommeren
Title: Member of the
Board of Directors

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ANNEX II

**FORM OF RESOLUTIONS
TO BE PROPOSED AT THE
EXTRAORDINARY GENERAL
MEETING OF SHAREHOLDERS**

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ANNEX II

FORM OF RESOLUTIONS TO BE PROPOSED AT THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 1 JULY 2011

Helikos SE
Société Européenne
(the “Company”)

Registered Office: 115, avenue Gaston Diderich L-1420 Luxembourg
R.C.S. Luxembourg B 148.525

AGENDA

1. Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result;
2. Presentation and approval of the proposed business combination with Exceet Group AG (the “**Transaction**”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval;
3. Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
4. Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
5. Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
6. Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period: During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
7. Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011 conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
8. Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation;
9. Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation.

“**Consummation**” shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG.

“**Warrant Holder Approval**” shall mean the approval by the warrant holders of the amendment of the terms and conditions of the Class A Warrants proposed in the special meeting of warrant holders convened for July 1, 2011.

First Resolution

The general meeting acknowledges that a meeting of Class A Warrant holders took place on the date of the present meeting. The Chairman presents the results of the meeting of the holders of Class A Warrants, *[at which holders of a majority of the outstanding Class A Warrants approved an amendment of the terms and conditions of Class A Warrants with effect as of the Consummation and conditional upon the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction]*, and explained the amendments.

[no vote required]

Second Resolution

The chairman of the meeting presents the proposed Transaction consisting in the acquisition of and investment in exceet Group AG, a Swiss company, for a total price of 163,689,265 euro. The presentation is followed by questions from the shareholders and discussion.

The chairman explained to the meeting that no more than 35% of the holders of Class A Shares have validly tendered their shares for redemption (excluding any Class A Shares with respect to which the Founders’ Purchase Option was exercised) and that the board of directors has confirmed that the 80% Threshold was met and that the proposed Transaction was not a Related Party Business Combination.

Further to the discussion, the general meeting of shareholders resolves to approve the Transaction, conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval.

Third resolution

Conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation, the general meeting of shareholders approves the change of name of the Company from Helikos SE to “**exceet Group SE**”.

Fourth resolution

Conditional upon [i] the approval of the approval of items 2 to 3 and 5 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation, the general meeting of shareholders resolves to create new classes of redeemable shares to be named “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares” (collectively the “**Class C Shares**”) and that such shares shall have the same rights as the existing Class B Shares, except that (i) they shall give the right to propose a list of candidates for Class C Directors and (ii) they shall convert automatically into Class A Shares under the following conditions as shall be set forth in the articles of association of the Company following their amendment pursuant to the seventh resolution proposed in this extraordinary general meeting (the “**Conversion Schedule C**”):

- all Class C1 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C1 Share on the date on which the per Class A Share volume-weighted average price on Xetra® as reported by Bloomberg in respect of such Trading Day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Class A Shares on such Trading Day determined by an internationally recognized investment bank selected by the Company) (the “**Daily VWAP**”) on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to twelve euro (EUR 12). “**Trading Day**” refers to any day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business;
- all Class C2 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C2 Share on the date on which the Daily VWAP on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to thirteen euro (EUR 13);
- all Class C3 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C3 Share on the date on which the Daily VWAP on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to fifteen euro (EUR 15).

Class C Shares which have not been converted on the fifth (5th) anniversary of the Consummation shall not be converted.

Class C Shares which have not been converted on the fifth (5th) anniversary of the Consummation shall not be converted.

As from the date of their conversion, the Class C Shares shall have the same rights as the Class A Shares issued from time to time.

The general meeting of shareholders expressly resolves to convert the Class C Shares into Class A Shares, subject to and upon compliance with the conditions of the Conversion Schedule C.

Fifth resolution

Conditional upon [i] the approval of items 2 to four and 6 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation, the general meeting of shareholders resolves to create a new class of redeemable shares named “Class B4 Shares”, to restate and determine the rights of the Class B1 Shares, Class B2 Shares, Class B3 Shares and Class B4 Shares (the Class B1 Shares, Class B2 Shares, Class B3 Shares and Class B4 Shares being collectively referred to as “**Class B Shares**”) as follows and give the right to propose a list of candidates for Class B Directors:

- the Class B Shares shall automatically be converted into Class A Shares under the following conditions (the “**Conversion Schedule B**”):
 - all Class B1 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B1 Share at the Consummation;
 - all Class B2 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B2 Share on the date on which the Daily VWAP on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of Consummation is at least equal to fourteen euro (EUR 14);
 - all Class B3 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B3 Share on the date on which the Daily VWAP on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of Consummation is at least equal to sixteen euro (EUR 16);
 - all Class B4 Shares are automatically convert into Class A Shares at a ratio of one Class A Share per Class B4 Share on the date on which the Daily VWAP on any twenty (20) Trading Days in any thirty (30) consecutive Trading Days following the date of Consummation is at least equal to twelve euro (EUR 12).

Class B Shares which have not been converted on the Fifth (5th) anniversary of the Consummation shall not be converted.

As from the date of their conversion, the Class B Shares shall have the same rights as the Class A Shares issued from time to time.

- the Class B Shares shall have the right to participate in the profits and liquidation proceeds of the Company as currently set out in the articles of association;
- the Class B Shares confer the right to propose B Directors for appointment during a certain period as shall be set forth in the articles of association following their amendment pursuant to the seventh resolution proposed in this extraordinary general meeting;
- the Class B Shares confer a specific veto regarding extraordinary dividends for a certain period; and
- the Class B Shares shall be redeemable shares in accordance with article 49-8 of the law of 10 August 1915 on commercial companies, as amended.

Class B Shares which have not been converted on the fifth (5th) anniversary of the Consummation shall not be converted.

The general meeting of shareholders expressly resolves to convert the Class B Shares into Class A Shares, subject to and upon compliance with the conditions of the Conversion Schedule B.

Sixth resolution

The chairman of the meeting presents and the general meeting acknowledges the supplementary special report of the board of directors presented in respect of the reduction of the authorized capital and renewal of the authorization period.

After having heard such report, and conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda and [ii] the Warrant Holder Approval, and with effect as of the Consummation, the general meeting of the shareholders resolves to reduce the authorised capital which, including the share capital, shall be set at seven hundred sixty-four thousand nine hundred sixty-five euro and eighty-six cents (764,965.86) consisting of fifty million three hundred twenty-six thousand seven hundred two shares (50,326,702) shares and renew the existing

authorisation period. During a period of five years starting with the publication of the present resolutions, the board of directors is authorised to issue Class A Shares, Class B Shares and/or Class C Shares, regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorised share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued during a period of time of five (5) years from the date of publication of the resolution of the general meeting of shareholders taken on July 1, 2011 in the Memorial (the “**Renewal Date**”). The existing authorisation remains in force until the Renewal Date.

Seventh resolution

Conditional upon [i] the approval of items 2 to six and 8 to 9 of the agenda and [ii] the Warrant Holder Approval, and with effect as of the Consummation and further to the foregoing resolutions, the general meeting of shareholders resolves to amend and to fully restate its articles of association, which shall henceforth read as follows:

[Amended Articles of Association to be inserted in the final resolutions. For the text of the proposed amended Articles, see Annex IV to the proxy statement]

Eighth resolution

The general meeting of shareholders acknowledges the resignation of (i) Mr. Alain Georges, Mr. Jürgen Heraeus and Mr. Christoph Kirsch as A Directors, (ii) Prof. Simon Hermann and Mr. Roland Lienau as B Directors and (iii) Mr. Jean-Michel Ropert and Mr. Dirk-Jan van Ommeren as C Directors with effect as of the Consummation and grants them full discharge for the exercise of their mandate. Conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation, the general meeting of shareholders resolves to appoint the following persons as directors until the annual general meeting of the Company taking place in 2016:

- Dr. Hagen Hultsch, born on November 26, 1940, in Birkenfeld/Nahe (Germany) residing in Löwenburgweg 2, 53229 Bonn (Germany), is appointed as A Director,
- Mr. Ulrich Reutner, born on March 17, 1965 in 69207 Sandhausen (Germany), residing in Im Riegel 80 69190 Walldorf (Germany), is appointed as A Director,
- Mr. Roland Lienau, born on August 20, 1961 in Hamburg (Germany), residing at 89 rue Taitbout, 75009 Paris (France) , is appointed as A Director, B Director,
- Mr. Dirk-Jan van Ommeren, born on July 11, 1950 in Elst (Rhenen) (the Netherlands), residing at Rembrandt tower, 22nd floor, Amstelvein 1, 1090 HC Amsterdam (the Netherlands), is appointed as B Director,
- Mr. Hans Hofstetter, born on November 26, 1962 in Walenstadt (Switzerland), residing in Habset 109, 9038 Rehetobel, Bürgerort Wildhaus (Switzerland), is appointed as C Director,
- Mr. Thomas Brauchli, born on September 26, 1966 in Glarus (Switzerland) , residing in Strebelstrasse 16d, 9010 St. Gallen, Bürgerort Glarus (Switzerland), is appointed as C Director.

Ninth resolution

The general meeting resolves to grant an irrevocable power of attorney to the board of directors with full power of substitution, to make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary, complete any formality and do everything which is lawful, necessary or simply useful in order to give full effect to the conversion of Class B Shares and/or Class C Shares and acknowledge and state that conditions for conversion are met, the Date of Consummation has occurred or not occurred or any other condition or event set out in the articles of association has occurred, and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies’ Register and to any publication in the Memorial conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation.

ANNEX III

**FORM OF AMENDED AND
RESTATED TERMS AND CONDITIONS
OF THE PUBLIC WARRANTS**

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FORM OF TERMS AND CONDITIONS OF CLASS A WARRANTS

EXCEET GROUP SE

The Issuer

**AMENDED AND RESTATED
TERMS AND CONDITIONS OF CLASS A WARRANTS**

I. AUTHORIZATION FOR WARRANTS

exceet Group S.E (formerly known as Helikos S.E.), a *société européenne* incorporated and existing under the laws of Luxembourg, having its registered office at 115, avenue Gaston Diderich, L-1420 Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 148.525 (the "**Issuer**"), authorized on 11 January 2010 the issuance and sale of up to thirty million (30,000,000) class A warrants (collectively, the "**Class A Warrants**" and individually, a "**Class A Warrant**"), which may be converted into redeemable Class A Shares of the Issuer, subject to and in accordance with the provisions set forth in the terms and conditions of Class A Warrants approved on 11 January 2010, as amended and restated effectively from the Consummation Date (the "**Terms and Conditions**"). Subject to the amendment and restatement becoming effective, each Warrantholder on the Consummation Date is entitled to the payment of zero point six two five eurocents (EUR 0.625) per Class A Warrant held on the Approval Date.

II. TERMS AND CONDITIONS.

1. Construction

1.1 Definitions:

"Admission Date" means the date on which on which trading in the Shares and the Class A Warrants formally commenced on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in connection with the Initial Public Offering, being 4 February 2010.

"Business Combination" means the initial acquisition of a company or a business by purchase, contribution, merger or any other form of business combination permitted by law by the Issuer which meets the 80% Threshold (as defined in the articles of association of the Issuer on the Admission Date).

"Business Day" means any day on which banks in Frankfurt and Luxembourg are open for general business.

"Class A Warrant" means a Class A Warrant of the Issuer, entitling the holder thereof to subscribe for Warrant Shares in accordance with these Terms and Conditions.

"Consummation Date" means the date on which exceet Group SE together with its subsidiaries become the sole shareholders of exceet Group AG, a Swiss stock market corporation, with its registered office in St Gallen, Switzerland.

"Exercise Notice" means the exercise notice substantially in the form as set forth in Annex 1, sent by the Warrantholder to the Warrant and Calculation Agent with a copy to the Issuer.

"Exercise Period" has the meaning ascribed hereto in clause 4.5.

"Exercise Price" means with respect to each Warrant Share twelve euro (EUR 12), subject to adjustments as described in clause 6.3 hereof.

"Expiration Date" means close of trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (8.00 pm CET) on the earliest of (i) the first Business Day immediately following the fifth (5th) anniversary of the Consummation Date or (ii) in relation to a Class A Warrant, its Redemption Date.

"Fair Market Value" means with respect to a Share the average closing price of the Shares as quoted on XETRA of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for the ten (10) Trading Days ending on the third Trading Day prior to the date on which the Warrantholder submits its Exercise Notice, it being understood that for the purpose of these terms and conditions, the Fair Market Value shall be considered as being seventeen euro (EUR 17) as long as such average closing price is equal to or exceeds seventeen euro (EUR 17).

"Initial Public Offering" means the initial public offering of units consisting of twenty million (20,000,000) Shares and twenty million (20,000,000) Class A Warrants of the Issuer in Germany, France and Luxembourg and the related private placements of such Shares and Class A Warrants elsewhere.

"Nominal Subscription Price" means, with respect to each Class A Warrant, one eurocent (EUR 0.01).

"Redemption Date" means the date set forth in the Redemption Notice as the date on which the Issuer shall redeem and cancel the Class A Warrants and pay the Redemption Price to the Warrantholder.

"Redemption Notice" means a redemption notice made by the Issuer in accordance with clause 5.

"Redemption Price" means, at any time with respect to each Class A Warrant redeemed, one eurocent (EUR 0.01).

“Redemption Trigger Price” has the meaning ascribed thereto in clause 5.1.

“Settlement Date” means the date on which the Warrant Share is issued for a Subscription Right that the Warrantholder has exercised.

“Shareholders” mean the shareholders of the Issuer from time to time.

“Shares” means the Class A Shares of the Issuer with no par value, including any Warrant Shares.

“Subscriber” means any person who subscribes or will subscribe for Class A Warrants.

“Subscription Rights” means the rights of a Warrantholder to subscribe for Warrant Shares as provided under Clause 4.

“Trading Day” means a day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business.

“Warrantholder” means the holder of the Class A Warrants from time to time.

“Warrant and Calculation Agent” means Deutsche Bank Aktiengesellschaft, a company incorporated under the laws of the Federal Republic of Germany and having its principal place of business at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main, Federal Republic of Germany.

“Warrant Share” means a Share issued pursuant to the exercise of the Subscription Right under a Class A Warrant.

- 1.2 In these Terms and Conditions any reference to any agreement (howsoever named) is to such agreement as it may be amended, supplemented or extended from time to time, whether before or after the date hereof.
- 1.3 Clause headings are for ease of reference only.
- 1.4 Unless the context requires otherwise or unless otherwise defined in these Terms and Conditions, terms defined in the articles of association of the Issuer shall have the same meaning or be construed similarly when used in these Terms and Conditions.

2. Issuance of the Class A Warrants

- 2.1 The Issuer issued and offered by way of public offer twenty million (20,000,000) Class A Warrants.
- 2.2 The Class A Warrants are issued in bearer form. Bearer certificates of Class A Warrants shall be signed by any two directors of the Issuer. One of the signatures may be affixed by a person delegated for that purpose by the board of directors. In such case, the signature must be manual. The Issuer may treat the holder of the bearer certificate of the Class A Warrant as the absolute owner of a Class A Warrant and accordingly shall not, excepted as ordered by a court of competent jurisdiction or as required by law, be bound to recognize any claim to or interest in a Class A Warrant on the part of any other person, whether or not it shall have express or other notice of such claim.
- 2.3 The Class A Warrants may be entered without serial numbers into fungible securities accounts with financial institutions or other professional depositaries. The Class A Warrants held in deposit or on an account with such financial institution or professional depositary shall be recorded in an account opened in the name of the depositor and may be transferred from one account to another, whether such account is held by the same or a different financial institution or depositary. The depositor whose Class A Warrants are held through such fungible securities accounts shall have the same rights and obligations as if he held the bearer Class A Warrants directly. The transfer of Class A Warrants which are not held through fungible securities accounts shall be made by the mere delivery of the related share certificate.
- 2.4 The Class A Warrants have not been registered under the U.S. Securities Act of 1933, as amended (the **“Securities Act”**), and may not be resold in the United States or to a United-States person absent registration under the Securities Act or an available exemption from registration thereunder. In the absence of registration, the Class A Warrants originally sold to purchasers in the United States as part of the Initial Public Offering may be offered, resold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act.
- 2.7 The Class A Warrants do not bear any yield.

3. Class A Warrant Price

The Class A Warrants were subscribed together with Shares in units each comprising one Class A Warrant and one Share in the Initial Public Offering for the aggregate price of ten euro per unit of which one

eurocent (EUR 0.01) were allocated to each Class A Warrant. The Nominal Subscription Price of one eurocent (EUR 0.01) per Class A Warrant was payable by the Subscriber to the Issuer on or before the date of settlement of the Initial Public Offering. The Exercise Price is payable in accordance with article 4 of these Terms and Conditions.

4. Exercise of Class A Warrants and issue of Warrant Shares

- 4.1 The Class A Warrants may be exercised on a “cashless basis” only. The Warrantholder will not pay the Exercise Price in cash, but will receive a number of Warrant Shares to be issued by the Issuer to the Warrantholder upon exercise of the Subscription Rights equal to the quotient derived from dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value on the date of exercise of the relevant Class A Warrants and the Exercise Price of the Class A Warrants by (y) twice the Fair Market Value on the date of exercise of the relevant Class A Warrants, as expressed in the following formula:

number of Warrant Shares =

$$\frac{\text{number of Class A Warrants exercised} \times (\text{Fair Market Value} - \text{Exercise Price})}{2 \times \text{Fair Market Value}}$$

- 4.2 The exercise of Class A Warrants on a “cashless basis” is subject to the availability of sufficient distributable reserves of the Issuer in accordance with Luxembourg law to be converted into the aggregate amount of the share capital of the Warrant Shares issued on the relevant Settlement Date further to Exercise Notices received in accordance with clause 4.6. The Issuer will under no circumstances be required to settle any Warrant Exercise for cash.
- 4.3 The Warrantholder may validly exercise all or part of its Subscription Rights in accordance with the provisions of these Terms and Conditions.
- 4.4 In order to validly exercise its Subscription Rights, the Warrantholder must:
- (a) deliver to the Warrant and Calculation Agent, with a copy to be sent to the Issuer, a duly completed Exercise Notice for the Class A Warrants in respect of which Subscription Rights are being exercised, no later than fifteen (15) Business Days prior to a Settlement Date, substantially in the form attached hereto as Annex 1. In case an Exercise Notice is delivered to the Warrant and Calculation Agent less than fifteen (15) Business Days prior to a Settlement Date, than such Class A Warrants shall be settled on the next following Settlement Date;
 - (b) in case of Class A Warrants issued in global form, transfer the Class A Warrants in respect of which the Subscription Rights are exercised to an account of the Issuer held with the Warrant and Calculation Agent;
 - (c) in case of Class A Warrants issued in definite bearer form, deliver the bearer certificates relating to the Class A Warrants exercised to the Warrant and Calculation Agent; and
 - (d) deliver any other document considered as necessary or simply useful by the Issuer in order to give full effect to the contemplated issue of the Warrant Shares.

The delivery of an Exercise Notice to the Warrant and Calculation Agent shall constitute an irrevocable election by the Warrantholder to exercise its Subscription Rights.

- 4.5 The exercise period during which the Subscription Rights may be exercised commences on the Consummation Date and shall end on the Expiration Date (the “**Exercise Period**”).
- 4.6 Subject to clauses 4.2 and 5 and in case Class A Warrants have been validly exercised pursuant to this clause 4, the issue of Warrant Shares and the corresponding amendments of the articles of association of the Issuer (a “**Settlement Date**”) shall take place on each of 31 January, 30 April, 31 July and 31 October or the next Business Day, if such day is not a Business Day. On a Settlement Date, the board of directors of the Issuer shall:
- (a) effect a share capital increase of the Issuer under its authorized capital and the corresponding change of the articles of association of the Issuer before a Luxembourg notary for the purpose of issuing the Warrant Shares to the Warrantholder to which a Warrantholder having exercised its Class A Warrants is entitled; and
 - (b) issue new bearer share certificates or write up the global bearer certificate, as applicable, for the newly issued Warrant Shares; and

- (c) undertake all the necessary steps to have the Warrant Shares listed and admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); and
 - (d) upon cancellation of the relevant bearer certificates of the Class A Warrants, as applicable, effectuate delivery of the Warrant Shares through Clearstream Banking AG, Frankfurt am Main.
- 4.7 The Issuer may, at its discretion and at any time during the Exercise Period, settle any Exercise Notices provided by transferring an amount of Class A Shares temporarily held by the Issuer corresponding to the number of Warrant Shares to be issued pursuant to the receipt of such Exercise Notices.
- 4.8 The Issuer will settle Exercise Notices provided during the Exercise Period prior to a Settlement Date if it has received but not settled Exercise Notices for more than five hundred thousand (500,000) Class A Warrants and issue the relevant Warrant Shares on an interim settlement date occurring within forty-five (45) days of the date on which such threshold is exceeded.
- 4.9 The exercise of the Class A Warrants does not entitle a Warrantholder to fractional Warrant Shares. If a Warrantholder exercises Class A Warrants and would be entitled to receive a fractional interest of Class A Warrant Share, the number of Warrant Shares to be issued to the Warrantholder is rounded down to the nearest whole number of Warrant Shares and the fraction of the Class A Warrant that is not exercised for a whole Warrant Share shall be forfeited without consideration.
- 4.10 Warrant Shares issued shall rank *pari passu* with the existing Shares in all respects.
- 4.11 Any Class A Warrants validly exercised shall be automatically and immediately cancelled and the Warrantholder shall have no further rights in respect of such Class A Warrants.
- 4.12 A Class A Warrant does not entitle the holder thereof to any of the rights of a shareholder of the Issuer, including, without limitation, receiving dividends or other distributions, exercising any preemptive rights to vote or to consent or to receive notice as shareholders in respect of the meetings of shareholders or the election of directors of the Issuer or any other matter.
- 4.13 The Issuer shall at all times have an authorised capital sufficient to permit the issue of Class A Shares upon exercise in full of all outstanding Class A Warrants issued pursuant to these Terms and Conditions.
- 4.14 The Issuer shall maintain a specific reserve in respect of the exercise of the Class A Warrants issued by the Issuer (the “**Warrant Reserve**”) sufficient to permit the cashless exercise of all outstanding Class A Warrants issued pursuant to these Terms and Conditions.

5. Redemption Rights

- 5.1 During the Exercise Period, the Issuer may, at its discretion, elect to redeem all of the Class A Warrants at their Redemption Price, by notifying a Redemption Notice in accordance with clause 7 no later than thirty (30) days prior to the Redemption Date.

The Issuer may only redeem Class A Warrants pursuant to this clause 5 if the volume-weighted average price of the Shares (as quoted in XETRA of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)) equals or exceeds seventeen euro (EUR 17) per Share, subject to adjustment as described below, for any twenty (20) Trading Days within a thirty (30) Trading Day period ending on the third (3rd) Business Day prior to the notification of the Redemption Notice (the “**Redemption Trigger Price**”).

A decrease of the price of the Shares below (i) the Redemption Trigger Price or (ii) the Exercise Price, at a date after the publication of the Redemption Notice, has no effect on the redemption procedure and, in particular, neither results in withdrawal of the Redemption Notice by the Issuer nor accords the right to a Warrantholder to withdraw a Redemption Notice.

- 5.2 Notwithstanding publication of the Redemption Notice, each Warrantholder may exercise its Subscription Rights prior to the Redemption Date pursuant to the procedure set out in clause 4. In case of exercise of the Subscription Rights, the Class A Warrants concerned are not redeemed but cancelled in accordance with clause 4.9 of these terms and conditions.
- 5.3 On the Redemption Date, the Redemption Price will be paid in immediately available funds to the Warrantholder.
- 5.4 Any Class A Warrants so redeemed are automatically and immediately cancelled and the Warrantholder shall have no further rights in respect of such Class A Warrants.

6. Adjustments

6.1. Dividends—Split-Ups

If, after the Consummation Date and subject to the provisions of clause 4.7, the number of Shares in the share capital of the Issuer is increased by a dividend payable in Shares or by a split-up of Shares or other similar event, then, on the effective date of such dividend, split-up or similar event, the number of Warrant Shares issuable on exercise of each Class A Warrant shall be increased in proportion to such increase in the number of Shares in the share capital of the Issuer.

6.2 Aggregation of Shares

If, after the Consummation Date, the number of Shares in the share capital of the Issuer is decreased by a consolidation, combination, reverse stock split or reclassification of Shares or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of Warrant Shares issuable on exercise of each Class A Warrant shall be decreased in proportion to such decrease in the number of Shares in the share capital of the Issuer. The number of Class A Warrants shall be decreased in the same proportion by consolidation, combination, reverse stock split or reclassification or a similar event as applied to the Shares.

6.3 Adjustments in Exercise Price

Whenever the number of Warrant Shares purchasable upon the exercise of the Class A Warrants is adjusted, as provided in clauses 6.1 and 6.2 above, the Exercise Price shall be adjusted (to the nearest eurocent) by multiplying such Exercise Price immediately prior to such adjustment by a fraction (i) the numerator of which shall be the number of Warrant Shares deliverable upon the exercise of the Class A Warrants immediately prior to such adjustment and (ii) the denominator of which shall be the number of Warrant Shares so deliverable immediately thereafter.

6.4 Replacement of Securities upon Reorganization

In case of any reclassification or reorganization of the outstanding Shares (other than a change covered by clauses 6.1 or 6.2 hereof), or in the case of any merger or consolidation of the Issuer with or into another corporate entity (other than a consolidation or merger in which the Issuer is the continuing corporate entity and which does not result in any reclassification or reorganization of the outstanding Shares), or in the case of any sale or conveyance to another corporate entity of the assets or other property of the Issuer as an entirety or substantially as an entirety in connection with which the Issuer is dissolved, the Warrantholders shall thereafter have the right to purchase and receive, in lieu of the Warrant Shares of the Issuer purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, which the Warrantholder would have received if such Warrantholder had exercised its Class A Warrant(s) immediately prior to such event; and if any reclassification also results in a change in Shares covered by clauses 6.1 or 6.2, then such adjustment shall be made pursuant to clauses 6.1 or 6.2 and this clause 6.4, as applicable. The provisions of this clause 6.4 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers.

7. Notices to Warrantholders

The Issuer will provide notices to the holders of the Class A Warrants in accordance with applicable Luxembourg law and, as long as the Class A Warrants are listed on the Frankfurt Stock Exchange, in a manner that complies with applicable rules of the Frankfurt Stock Exchange.

8. Registration

- 8.1 No Class A Warrants will be exercisable and the Issuer will not be obligated to issue Warrant Shares unless the Warrant Shares issuable upon such exercise have been registered or qualified or deemed to be exempt from registration or qualification under the securities laws of the jurisdiction of residence of the relevant Warrantholder. The Issuer does not intend to take any action to register or qualify the Warrant Shares issuable upon exercise of the Class A Warrants in any jurisdiction. Because the exemptions from registration or qualification in certain jurisdictions for re-sales of Class A Warrants and for issuances of Warrant Shares by the Issuer upon exercise of a Class A Warrant may be different, a Class A Warrant may be held by a Warrantholder in a jurisdiction where an exemption is not available for issuance of Warrant Shares upon an exercise and the Warrantholder will be precluded from exercising the Class A Warrant.

- 8.2 Even if Warrantholders are not able to exercise their Class A Warrants because the Warrant Shares issuable upon exercise are not registered or qualified or exempt from registration or qualification in any jurisdiction, the Issuer can exercise its redemption rights pursuant to clause 5 with respect to such Class A Warrants.

9. Termination

- 9.1 These Terms and Conditions shall automatically terminate on the earlier of the date of exercise and/or redemption of the last outstanding Class A Warrant or the dissolution of the Issuer.
- 9.2 Any Class A Warrants which have not been exercised or redeemed on the Expiration Date shall automatically and immediately be cancelled on the day after the Expiration Date and the Warrantholder shall have no further rights in respect of such Class A Warrants as from such date. The Warrantholder shall return any bearer certificates with respect to the Class A Warrants to the Issuer and the Issuer shall cancel such bearer certificates in respect of such Class A Warrants.

10. Amendment and Waiver

- 10.1 These Terms and Conditions may be amended by the Issuer without the consent of any holder of the Class A Warrants for the purpose of curing any ambiguity, or adding or changing any other provisions with respect to matters or questions arising under these Terms and Conditions as the Issuer deem necessary or desirable and that Issuer determines shall not adversely affect the interest of the holders of the Class A Warrants. All other modifications or amendments, including, but not limited to, any amendment to increase the Warrant Price or shorten the Exercise Period, shall require the written consent of the holders of a majority of the then outstanding Class A Warrants.
- 10.2 No failure of the Issuer or a Warrantholder to enforce any of the provisions of these Terms and Conditions shall in any way operate as a waiver of such provisions nor shall it affect the rights of the Issuer or a Warrantholder thereafter to enforce each and every provision of these Terms and Conditions in accordance with its terms.

11. Severability

The invalidity, illegality or unenforceability of any provisions hereof shall not affect the validity, legality or enforceability of these Terms and Conditions.

12. Cost and Expenses

All expenses including any applicable depository charges, transaction or conversion charges, stamp duty, tax, capital duty, if any, arising from the exercise and/or redemption of the Class A Warrants and/or the registration of the Warrant Shares shall be for the account of the Issuer.

13. Governing Law and Jurisdiction

These Terms and Conditions shall be governed by, and construed in accordance with the laws of Luxembourg. Any disputes in connection with these Terms and Conditions shall be subject to the exclusive jurisdiction of the courts of the city of Luxembourg, Grand Duchy of Luxembourg.

IN WITNESS WHEREOF, the Company has caused these Terms and Conditions, as amended, to be executed by its duly authorized representatives on _____ 2011.

exceet Group SE

Name:
Title:

Annex 1

Exercise Notice

[Letterhead of the Subscriber]

To: [Name] (the “**Warrant and Calculation Agent**”)
[Address of bank]

With a copy to:

except Group S.E. (the “**Issuer**”)
115, avenue Gaston Diderich
L-1420 Luxembourg

[Date]

Dear Sir or Madam,

This is an Exercise Notice pursuant to clause 4 of the Terms and Conditions dated [***].

Capitalized terms not defined herein shall have the meaning given to them in the Terms and Conditions.

We hereby exercise my Subscription Rights as follows:

- (i) Number of Class A Warrants to be exercised: [***]
- (ii) Exercise Price (in aggregate): [***]
- (iii) Date of Exercise: [***]

We note that in accordance with clause 4.1 of the Terms and Conditions and the number of Warrant Shares to be issued by the Issuer to us for surrendering the Class A Warrants is equal to the quotient obtained by dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value (as defined in the Terms and Conditions) and the exercise price of the Class A Warrants by (y) twice the Fair Market Value.

We agree that the Warrant Shares are issued subject to the articles of association of the Issuer. We confirm that this exercise notice constitutes a firm subscription for [***] Shares for the aggregate Exercise Price in accordance with the Terms and Conditions.

We acknowledge and agree that the Warrant Shares issued upon exercise of the Class A Warrants have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons absent registration under the Securities Act or any available exemption from registration thereunder.

Yours sincerely,

[the Subscriber]

By:
Title:

ANNEX IV

**FORM OF AMENDED AND
RESTATED ARTICLES OF
ASSOCIATION
(*STATUTS*) OF THE
COMPANY**

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« exceet Group SE »

Société européenne

Luxembourg

R.C.S. Luxembourg, section B numéro 148525

A. NAME—DURATION—PURPOSE—REGISTERED OFFICE

Article 1 Name

There hereby exists a company in the form of a *société européenne* under the name of “exceet Group SE” (the “Company”).

Article 2 Duration

The Company is incorporated for an unlimited duration. It may be dissolved at any time and without cause by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of these articles of association.

Article 3 Object

3.1. The Company’s purpose is the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

3.2. The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

3.3. The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

3.4. The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Article 4 Registered office

4.1. The Company’s registered office is established in the city of Luxembourg, Grand Duchy of Luxembourg. The Company’s central administration is located at its registered office.

4.2. Within the same municipality, the Company’s registered office may be transferred by a resolution of the board of directors.

4.3. It may be transferred to any other municipality in the Grand Duchy of Luxembourg by means of a resolution of the general meeting of shareholders.

4.4. Branches or other offices may be established either in the Grand Duchy of Luxembourg or abroad by a resolution of the board of directors.

4.5. The registered office of the Company may be transferred to another member state of the European Community in accordance with the provisions of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (the “**Regulation**”) and the law of 10 August 1915 governing commercial companies, as amended (the “**Law**”). Such transfer will not result in the winding-up of the Company or the creation of a new legal person.

B. SHARE CAPITAL—SHARES—REGISTER OF SHARES—OWNERSHIP AND TRANSFER OF SHARES

Article 5 Share capital and authorised capital

5.1. The Company may issue class A shares (the “**Class A Shares**” and the holders thereof being referred to as “**A Shareholders**”), redeemable class B1 shares (the “**Class B1 Shares**”), redeemable class B2 shares (the “**Class B2 Shares**”), redeemable class B 3 shares (the “**Class B3 Shares**”) and redeemable class B4 shares (the “**Class B4 Shares**”) (the “**Class B Shares**” and the holders thereof are referred to collectively as “**B Shareholders**”) and redeemable class C1 shares (the “**Class C1 Shares**”), redeemable class C2 shares (the “**Class C2 Shares**”), and redeemable class C 3 shares (the “**Class C3 Shares**”) the “**Class C Shares**” and the holders thereof being referred to as “**C Shareholders**”). The Company’s issued share capital is set at **four hundred thousand euro (EUR 400,000)**, represented by (i) **twenty million (20,000,000)** Class A Shares, (ii) **two million one hundred and five thousand two hundred and sixty-four (2,105,264)** redeemable Class B1 Shares, (iii) **two million one hundred and five thousand two hundred and sixty-three (2,105,263)** redeemable Class B2 Shares, and (iv) **two million one hundred and five thousand two hundred and sixty-three (2,105,263)** redeemable Class B3 Shares.

Any reference made hereinafter to the “shares” shall be construed as a reference to the Class A Shares, the Class B Shares and/or the Class C Shares, depending on the context and as applicable. The same construction applies to any reference made hereinafter to the “shareholders” of the Company. The shares do not have a nominal value.

Under the terms and conditions provided by law, the Company’s issued share capital may be increased or reduced by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of these articles of association.

Any new shares to be paid for in cash will be offered by preference to the existing shareholder(s) in proportion to the number of shares held by them in the Company’s share capital. The board of directors shall determine the period of time during which such preferential subscription right may be exercised. This period may not be less than thirty (30) days from the date of opening of the subscription as published in the Official Gazette of the Grand Duchy of Luxembourg, *Memorial C, Recueil des Sociétés et Associations* (the “**Memorial**”) and two Luxembourg newspapers in accordance with the Law. However, subject to the provisions of the Law, the general meeting of shareholders called (i) to resolve upon an increase of the Company’s issued share capital or (ii) at the occasion of an authorisation granted to the board of directors to increase the Company’s issued share capital, may limit or suppress the preferential subscription right of the existing shareholder(s) or authorise the board of directors to do so. Such resolution shall be adopted in the manner required for an amendment of these articles of association.

5.2. The Company’s authorised capital, including the issued share capital, is set at **seven hundred sixty-four thousand nine hundred sixty-five euro and eighty-six cents (EUR 764,965.86)**, consisting of at total of **fifty million three hundred twenty-six thousand seven hundred and two (50,326,702)** shares out of which may be issued an additional amount of **fourteen million ten thousand nine hundred and twelve (14,010,912)** Class A Shares, **one million (1,000,000)** Class B4 Shares, **three million (3,000,000)** Class C1 Shares, **three million (3,000,000)** Class C2 Shares, and **three million (3,000,000)** Class C3 Shares.

The board of directors is hereby authorised to issue Class A Shares, Class B Shares and/or Class C Shares, regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorised share capital, to such persons and on such terms as it shall see fit, and specifically to proceed to such issue without reserving a preferential subscription right for the existing shareholders during a period of time of five (5) years from the date of publication of the resolution of the general meeting of shareholders taken on 1 July 2011 in the Memorial (the “**Renewal Date**”). The existing authorisation (granted as from 1 February 2010) remains in force until the Renewal Date.

This authorisation may be renewed once or several times by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of these articles of association, each time for a period not exceeding five (5) years.

Article 6 Shares

6.1. The Company may have one or several shareholders. The death, legal incapacity, dissolution, bankruptcy or any other similar event regarding a shareholder shall not cause the Company’s dissolution.

6.2. The Company may, to the extent and under the terms and conditions provided by law, repurchase or redeem its own shares.

6.3. Fractional shares shall have the same rights on a fractional basis as whole shares, provided that shares shall only be able to be voted if the number of fractional shares may be aggregated into one or more whole shares. If there are fractions that do not aggregate into a whole share, such fractions shall not be able to vote. However, where the shares are in registered form and are recorded in the register of shareholders in the name of or on behalf of a securities settlement system or the operator of such system or, where the shares are in bearer form and held by or on behalf of a securities settlement system or the operator of such system and in each case recorded as book-entry interests in the accounts of a professional depositary or any sub-depositary (any depositary and any sub-depositary being referred to hereinafter as a “**Depository**”), the Company—subject to having received from the Depository a certificate in proper form—will permit the depositor of such book-entry interests to exercise the rights attaching to the shares corresponding to the book-entry interests of the relevant depositor, including admission to and voting at general meetings, and shall consider those depositors to be the holders for purposes of article 7 of the present articles of association. The board of directors may determine the formal requirements with which such certificates must comply.

6.4. The Class A Shares are in bearer form. The Class B Shares and the Class C Shares are in registered form and may not be converted into shares in bearer form.

6.5. Certificates of bearer shares shall be signed by two directors. Such signatures shall be either manual, or printed or in facsimile. One of the signatures may be affixed by a person delegated for that purpose by the board of directors. In such case, the signature must be manual. The share certificate will in particular contain the date of the constitutive instrument of the Company and the date of publication thereof, the capital of the Company, the number and type of each class of shares and the accounting par value (*pair comptable*) of the securities or the interest in the Company which they present, a brief description of the contributions made to the Company and the conditions, and any special advantages conferred upon the founders, the duration of the Company and the day and the time of the annual general meeting and the municipality in which it is to be held.

6.6. A register of Class B Shares and Class C Shares will be kept at the Company’s registered office, where it will be available for inspection by any shareholder. This register of Class B Shares and Class C Shares will in particular contain the name of each B Shareholder and C Shareholder, his/her/its residence or registered or principal office, the number of shares held by such B Shareholder and C Shareholder, the indication of the payments made on the shares, any transfer of shares and the dates thereof as well as any security rights granted on shares. Each B Shareholder and each C Shareholder will notify the Company by registered letter his/her/its address and any change thereof. The Company may rely on the last address of a B Shareholder and a C Shareholder received by it.

Article 7 Ownership and transfer of shares

7.1. The shares may be entered without serial numbers into fungible securities accounts with financial institutions or other professional depositaries. The shares held in deposit or on an account with such financial institution or professional depositary shall be recorded in an account opened in the name of the depositor and may be transferred from one account to another, whether such account is held by the same or a different financial institution or depositary. The depositor whose shares are held through such fungible securities accounts shall have the same rights and obligations as if he held the bearer shares directly.

7.2. The transfer of bearer shares which are not held through fungible securities accounts shall be made by the mere delivery of the related share certificate.

7.3. The shares are freely transferable, subject to the provisions of the law and these articles of association. All rights and obligations attached to any share are passed to any transferee thereof. Until (and including) the last day of a sixty-six (66) months period beginning with the date of Consummation (as defined in article 14.1 below), (i) Class B Shares may be transferred only (x) to existing holders of Class B Shares and their Affiliates (as defined in article 14.1 below) or (y) in the event of death of a B Shareholder, to the successors of such B Shareholder; and (ii) Class C Shares may be transferred only (x) to members of management of exceet Group AG and/or members of management of Affiliates of exceet Group AG, (y) as in-kind distributions to direct shareholders of those C Shareholders who held Class C Shares on the date of Consummation, but only after (and including) the last day of a twenty-four (24) month period beginning with the date of Consummation, or (z) in the event of death of a C Shareholder, to the successors of such C Shareholder.

7.4. The Company will recognise only one holder per share. In case a share is owned by several persons, they must designate a single person to be considered as the sole owner of such share in relation to the Company. The Company is entitled to suspend the exercise of all rights attached to a share held by several owners until one (1) owner has been designated.

7.5. Proof of ownership of Class B Shares and Class C Shares may be established through the recording of a shareholder in the register of Class B Shares and Class C Shares. Certificates of these recordings will be issued and signed by the chairman of the board of directors, by any two of its members or by the sole director, as the case may be, upon request and at the expense of the relevant shareholder. Any transfer of Class B Shares and Class C Shares will become effective towards the Company and third parties, subject to compliance with the transfer restrictions set out in article 7.3 above, either through the recording of a declaration of transfer into the register of shares, signed and dated by the transferor and the transferee or their representatives, or upon notification of the transfer to or upon the acceptance of the transfer by the Company, pursuant to which any director may record such transfer in the register of shares.

7.6. Any shareholder, together with any affiliates (as defined in article 14.1) and any shareholder with whom such shareholder is acting as a group, whose aggregate shareholding exceeds two percent (2%) of the issued Class A Shares at any time or any multiple thereof must provide the Company with written notice of such event within four business days of such event. In case such shareholder does not provide the notice in time, the voting rights attaching to the fraction of his shares which exceed the relevant threshold are suspended until such notification is made. For the purpose of these articles of association, “**acting as a group**” shall mean shareholders if they cooperate on the basis of an agreement either express or tacit, either written or oral, for the purpose of acquiring, holding, voting or disposing of Class A Shares of the Company. The board of directors shall determine if shareholders are acting as a group and, absent manifest error, the determination will be binding.

7.7. For the avoidance of doubt, this obligation is to be read in addition to the obligations under the law of 11 January 2008 on transparency obligations in relation to listed companies (the “**Transparency Law**”) and any sanctions provided for under the Transparency Law shall apply in case the obligations pursuant to the Transparency Law are not complied with.

C. GENERAL MEETING OF SHAREHOLDERS

Article 8 Powers of the general meeting of shareholders

8.1. The shareholders exercise their collective rights in the general meeting of shareholders.

8.2. The general meeting of shareholders is vested with the powers expressly reserved to it by law and by these articles of association.

Article 9 Convening general meetings of shareholders

9.1. The general meeting of shareholders of the Company may at any time be convened by the board of directors, to be held at such place and on such date as specified in the notice of such meeting.

9.2. The general meeting of shareholders must be convened by the board of directors, upon request in writing indicating the agenda, addressed to the board of directors by one or several shareholders representing at least ten percent (10%) of the Company’s issued share capital. In such case, a general meeting of shareholders must be convened and shall be held within a period of one (1) month from receipt of such request.

9.3. If following a request made under article 9.2, a general meeting is not held in due time and, in any event within two months, the competent Luxembourg courts may order that a general meeting be convened within a given period, or authorise either the shareholders who have requested it or their representatives to convene such general meeting.

9.4. The board of directors shall convene the annual general meeting of shareholders within a period of six (6) months after the end of the Company’s financial year. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting. The annual general meeting of shareholders shall be held in Luxembourg, at the registered office of the Company or at such other place as may be specified in the notice of such meeting, on 31 May at 12.00 (noon) of each year. If such day is a legal holiday or falls on a weekend, the annual general meeting of shareholders must be held on the next following business day.

9.5. The convening notice for any general meeting of shareholders must contain the agenda of the meeting, the place, date and time of the meeting, the description of the procedures that shareholder must comply with in order to be able to participate and cast their votes in the general meeting, and such notice shall take the form of announcements published (i) thirty (30) days before the meeting, in the Memorial and in a Luxembourg newspaper and (ii) in a manner ensuring fast access to it on a non-discriminatory basis in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Community. A notice period of seventeen (17) days applies, in case of a second or subsequent convocation of a general meeting convened for lack of quorum required for the meeting convened by the first convocation, provided that this article 9.5 has been complied with for the first convocation and no new item has been put on the agenda. In case the shares are listed on a foreign stock exchange, the notices shall in addition be published in such other manner as may be required by laws, rules or regulations applicable to such stock exchange from time to time.

9.6. One or several shareholders, representing at least five percent (5%) of the Company's issued share capital, may (i) request to put one or several items to the agenda of any general meeting of shareholders, provided that such item is accompanied by a justification or a draft resolution to be adopted in the general meeting, or (ii) table draft resolutions for items included or to be included on the agenda of the general meeting. Such request must be sent to the Company's registered office in writing by registered letter or electronic means at least twenty-two (22) days prior to the date of the general meeting and include the postal or electronic address of the sender. In case such request entails a modification of the agenda of the relevant meeting, the Company will make available a revised agenda at least fifteen (15) days prior to the date of the general meeting.

9.7. If all shareholders are present or represented at a general meeting of shareholders and state that they have been informed of the agenda of the meeting, the general meeting of shareholders may be held without prior notice.

Article 10 Admission

Any shareholder who holds one or more share(s) of the Company at 24:00 o'clock (Luxembourg time) on the date falling fourteen (14) days prior to (and excluding) the date of general meeting (the "**Record Date**") shall be admitted to the relevant general meeting of shareholders. Any shareholder who wishes to attend the general meeting must inform the Company thereof at the latest on the Record Date, in a manner to be determined by the board of directors in the convening notice. In case of shares held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository, a holder of shares wishing to attend a general meeting of shareholders should receive from such operator or depository or sub-depository a certificate certifying the number of shares recorded in the relevant account on the Record Date. The certificate should be submitted to the Company at its registered address no later than three (3) business days prior to the date of the general meeting. In the event that the shareholder votes through proxies, the proxy has to be deposited at the registered office of the Company at the same time or with any agent of the Company, duly authorised to receive such proxies. The board of directors may set a shorter period for the submission of the certificate or the proxy.

Article 11 Conduct of general meetings of shareholders

11.1. A board of the meeting shall be formed at any general meeting of shareholders, composed of a chairman to be elected from the board of directors, a secretary and a scrutineer, each of whom shall be appointed by the general meeting of shareholders and who do not need to be shareholders. The chairman of the board of directors shall be the chair of any general meeting. In the event the chairman of the board is for any reason unable to chair the general meeting of shareholders, any other member of the board of directors may chair the general meeting of shareholders. The board of the meeting shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening the meeting, majority requirements, vote tallying and representation of shareholders.

11.2. An attendance list must be kept at any general meeting of shareholders.

11.3. No quorum shall be required for the general meeting of shareholders to act and deliberate validly, unless otherwise required by law or by these articles of association.

11.4. Each share entitles the holder thereof to one vote, subject to the provisions of the Law. Unless otherwise required by law or by these articles of association, resolutions at a general meeting of shareholders duly convened are adopted by a simple majority of the votes validly cast, regardless of the portion of capital represented. Abstention and nil votes will not be taken into account.

11.5. A shareholder may act at any general meeting of shareholders by appointing another person, shareholder or not, as his proxy in writing by a signed document transmitted by mail or facsimile or by any other means of communication authorised by the board of directors. One person may represent several or even all shareholders.

11.6. Shareholders who participate in a general meeting of shareholders by conference-call, video-conference or by any other means of communication authorised by the board of directors, which allows such shareholder's identification and which allows that all the persons taking part in the meeting hear one another on a continuous basis and may effectively participate in the meeting, are deemed to be present for the computation of quorum and majority, subject to such means of communication being made available at the place of the meeting.

11.7. Each shareholder may vote at a general meeting of shareholders through a signed voting form sent by mail or facsimile or by any other means of communication authorised by the board of directors to the Company's registered office or to the address specified in the convening notice. The shareholders may only use voting forms provided by the Company which contain at least the place, date and time of the meeting, the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three boxes allowing the shareholder to vote in favour of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes. The Company will only take into account voting forms received prior to the general meeting of shareholders to which they relate.

11.8. The board of directors may determine further conditions that must be fulfilled by the shareholders for them to take part in any general meeting of shareholders.

Article 12 Amendments of the articles of association

12.1. Subject to the provisions of the Regulation and the Law, any amendment of the articles of association requires a majority of at least two-thirds of the votes validly cast at a general meeting at which at least half of the share capital is present or represented, in case the second condition is not satisfied, a second meeting may be convened in accordance with the Law, which may deliberate regardless of the proportion of the capital represented and at which resolutions are taken at a majority of at least two-thirds of the votes validly cast. Abstention and nil votes will not be taken into account for the calculation of the majority.

12.2. Where there is more than one class of shares and the proposed resolution of the shareholders' meeting would change the respective rights of a particular class of shares, the resolution must also fulfill the conditions as to attendance and majority in the foregoing paragraph for each class of shares the respective rights of which are modified by such resolution,

12.3. In addition to the provisions of article 12.2, any amendment of these articles of association on or prior to the date of Consummation (as defined in article 14.1 below) shall require compliance with the conditions as to attendance and majority set out in article 12.1 of these articles of association for each class of issued shares.

Article 13 Adjourning general meetings of shareholders

The board of directors may adjourn any general meeting of shareholders already commenced, including any general meeting convened in order to resolve on an amendment of the articles of association, for a period of four (4) weeks. The board of directors must adjourn any general meeting of shareholders already commenced if so required by one or several shareholders representing in the aggregate at least twenty per cent (20%) of the Company's issued share capital. By such an adjournment of a general meeting of shareholders already commenced, any resolution already adopted in such meeting will be cancelled. For the avoidance of doubt, once a meeting has been adjourned pursuant to the second sentence of this article 13, the board of directors shall not be required to adjourn such meeting a second time.

Article 14 Conversion of Class B Shares

14.1. "**Consummation**" shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG. For the purpose of these article of association: an "**Affiliate**" of, or person "**affiliated**" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified and (ii) the term "**control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of shares, by contract, or otherwise.

14.2. All Class B1 Shares are automatically converted into Class A Shares at a ratio of one (1) Class A Share per Class B1 Share at the Consummation.

14.3. All Class B2 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B2 Share on the date on which the Class A Share volume-weighted average price on Xetra® as reported by Bloomberg in respect of such Trading Day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Class A Shares on such trading day determined by an internationally recognized investment bank selected by the Company) (the “**Daily VWAP**”) on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to fourteen euro (EUR 14). “**Trading Day**” refers to any day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business.

14.4. All Class B3 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B3 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to sixteen euro (EUR 16).

14.5. All Class B4 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class B4 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to twelve euro (EUR 12).

14.6. Class B Shares which have not been converted on the fifth (5th) anniversary of the Consummation shall not be converted.

14.7. As from the date of their conversion, the Class B Shares shall have the same rights and obligations as the Class A Shares issued from time to time.

14.8. The Consummation shall be conclusively evidenced by a resolution of the board of directors stating that the Consummation has occurred and stating the date of Consummation. The meeting of the thresholds set forth in articles 14.3, 14.4 and 14.5 shall be evidenced by a resolution of the board of directors noting such occurrence and setting forth the applicable calculations.

14.9. The shareholders grant an irrevocable power of attorney to the board of directors to make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of any conversion of shares in accordance with this article 14 and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies’ Register and to any publication in the Memorial.

Article 15 Conversion of Class C Shares

15.1. All Class C1 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C1 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to twelve euro (EUR 12).

15.2. All Class C2 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C2 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to thirteen euro (EUR 13).

15.3. All Class C3 Shares are automatically converted into Class A Shares at a ratio of one Class A Share per Class C3 Share on the date on which the Daily VWAP on any twenty (20) trading days in any thirty (30) consecutive Trading Days following the date of the Consummation is at least equal to fifteen euro (EUR 15).

15.4. Class C Shares which have not been converted on the fifth anniversary of the date of Consummation shall not be converted.

15.5. As from the date of their conversion, the Class C Shares shall have the same rights and obligations as the Class A Shares issued from time to time.

15.6. The meeting of the thresholds set forth in articles 15.1, 15.2 and 15.3 shall be evidenced by a resolution of the board of directors noting such occurrence and setting forth the applicable calculations.

15.7. The shareholders grant an irrevocable power of attorney to the board of directors to make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of any conversion of shares in accordance with this article 15 and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies' Register and to any publication in the Memorial.

Article 16 Redemption of Class B Shares and Class C Shares

16.1. The redemption of Class B Shares and Class C Shares is subject to the Law and the following conditions:

- only fully paid up shares may be redeemed;
- the redemption can only be made by using sums available for distribution in accordance with Article 72-1 of the Law or the proceeds of a new issue made with the purpose of such redemption;
- an amount equal to the accounting par value, of all the Class B Shares and Class C Shares redeemed must be included in a reserve which cannot be distributed to the shareholders except in the event of a capital reduction of the Issued share capital; such reserve may only be used to increase the issued share capital by capitalisation of reserves (such reserve is not required in case of a redemption using the proceeds of a new issue made with a view to carry out such redemption); and
- the redemption is published in accordance with the Law.

16.2. Subject to article 16.1, any Class B Shares and Class C Shares which are not converted into Class A Shares in accordance with articles 14 and 15 of these articles of association prior to the fifth anniversary of the date of Consummation shall be redeemed by the Company within six (6) months following the fifth anniversary of the date of Consummation at a redemption price per Class B Shares and Class C Share corresponding to the accounting par value of such Class B Shares and Class C Shares.

16.3. Redeemed Class B Shares and Class C Shares shall bear no voting rights, and shall have no rights to receive dividends or the liquidation proceeds.

Article 17 Minutes of general meetings of shareholders

17.1. The board of any general meeting of shareholders shall draw up minutes of the meeting which shall be signed by the members of the board of the meeting as well as by any shareholder who requests to do so.

17.2. Any copy and excerpt of such original minutes to be produced in judicial proceedings or to be delivered to any third party shall be signed by the chairman or the co-chairman of the board of directors or by any two of its members.

D. MANAGEMENT

Article 18 Powers of the board of directors and daily management

18.1. The Company shall be managed by a board of directors, whose members do not need to be shareholders of the Company.

18.2. The board of directors is vested with the broadest powers to take any actions necessary or useful to fulfil the Company's corporate object, with the exception of the actions reserved by law or by the Regulation, the Law or these articles of association to the general meeting of shareholders.

18.3. In accordance with article 60 of the Law, the Company's daily management and the Company's representation in connection with such daily management may be delegated to one or several members of the board of directors or to any other person(s) appointed by the board of directors, shareholder or not, acting alone or jointly. Their appointment revocation and powers shall be determined by a resolution of the board of directors.

18.4. The following actions and transactions in relation to the Company's daily management require an express decision of the board of directors of the Company:

- any agreement for the formation of a joint venture, consortium or partnership (other than ordinary commercial contracts) the combined net asset value or share capitalization of which is in excess of two million euro (EUR 2,000,000);
- the incurrence of any new or additional borrowing or indebtedness by the Company or its Affiliates not included in the approved annual budget in excess of ten million euro (EUR 10,000,000) other than working capital financing in the normal course of business;
- the granting by the Company or its Affiliates of any kind of security or guarantee outside the normal course of business or in excess of ten million euro (EUR 10,000,000);
- the conclusion, modification or termination by the Company or its Affiliates of any agreement the terms of which require payment in excess of five million euro (EUR 5,000,000) unless included in the approved annual budget;
- any capital expenditure by the Company or its Affiliates not included in the approved annual budget in excess of five million euro (EUR 5,000,000) per transaction (or series of related transactions);
- the conclusion, modification or termination by the Company or its Affiliates of any agreement with a related party;
- any listing or public offering of securities issued by the Company or its Affiliates;
- the initiation, choice of a defence strategy or settlement by the Company or its Affiliates of any litigation or arbitral proceedings where the amount at stake for the Company or its Affiliates is in excess of five million euro (EUR 5,000,000);
- any material change to the business or activities of the Company or its Affiliates, including entering into material new lines of business, discontinuing of a material activity or adopting any material change in strategic direction; and
- the appointment or removal of any director or any key employee; the implementation of any management incentive scheme; and the introduction or abolition of any remuneration packages for the Company or its Affiliates.

18.5. The board of directors may also grant special powers by notarised proxy or private instrument to any person(s) acting alone or jointly with others as agent of the Company.

Article 19 Composition of the board of directors

The board of directors is composed of four (4) A directors (the "**A Directors**"), one (1) B director (the "**B Director**") and one (1) C director (the "**C Director**"). The board of directors must choose from among its members a chairman of the board of directors. It may also choose a co-chairman and it may choose a secretary, who needs to be neither a shareholder, nor a member of the board of directors. A reference to a "director" hereinafter shall be construed as a reference to an A Director and/or a B Director and/or a C Director, depending on the context and as applicable.

Article 20 Election and removal of directors and term of the office.

20.1. Directors shall be elected by the general meeting of shareholders, which shall determine their remuneration and term of office. The A Directors shall be elected by all shareholders. Until (and including) the last day of a sixty (60) months period beginning with the date of Consummation, (i) the B Director shall be elected from a list of candidates proposed by the B Shareholders, and (ii) the C Director shall be elected from a list of candidates proposed by the C Shareholders. The list of candidates proposed by each class of shareholders shall be determined by a simple majority vote of the shareholders of that class of shares. In case the B Shareholders do not propose a list of candidates to be appointed as B Director upon solicitation by the board of directors within a reasonable delay, the board of directors shall propose a candidate to be appointed as B Director. In case the C Shareholders do not propose a list of candidates to be appointed as C Director upon solicitation by the board of directors within a reasonable delay, the board of directors shall propose a candidate to be appointed as C Director. In case all Class B Shares (i) have been converted into Class A Shares in accordance with articles 14 or (ii) have been redeemed by the Company in accordance with article 16, the A Shareholders have the right to propose a list of candidates to be appointed as B Director. In case all Class C Shares (i) have been converted into Class A Shares in accordance with articles 15 or (ii) have been redeemed by the Company in accordance with article 16, the A Shareholders have the right to propose a list of candidates to be appointed as C Director.

20.2. If a legal entity is elected director of the Company, such legal entity must designate an individual as permanent representative who shall execute this role in the name and for the account of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one director and may not be a director at the same time.

20.3. Any director may be removed at any time, without notice and without cause by the general meeting of shareholders.

20.4. The term of office of a director may not exceed six (6) years and any director shall hold office until his successor is elected. Any director may also be re-elected for successive terms.

Article 21 Vacancy in the office of a director

If a vacancy in the office of a member of the board of directors because of death, legal incapacity, bankruptcy, retirement or otherwise occurs, such vacancy may be filled on a temporary basis by a person designated by the remaining board members until the next general meeting of shareholders, which shall resolve on a permanent appointment.

Article 22 Convening meetings of the board of directors

22.1. The board of directors shall meet upon call by the chairman or by any two (2) of its members at the place indicated in the notice of the meeting as described in the next paragraph.

22.2. Written notice of any meeting of the board of directors must be given to the directors at least twenty-four (24) hours in advance of the date scheduled for the meeting by mail, facsimile, electronic mail or any other means of communication, except in case of emergency, in which case the nature and the reasons of such emergency must be indicated in the notice. Such convening notice is not necessary in case of assent of each director in writing by mail, facsimile, electronic mail or by any other means of communication, a copy of such document being sufficient proof thereof. Also, a convening notice is not required for a board meeting to be held at a time and location determined in a prior resolution adopted by the board of directors. No convening notice shall furthermore be required in case all members of the board of directors are present or represented at a meeting of the board of directors or in the case of resolutions in writing pursuant to these articles of association.

22.3. The board of directors shall meet at least once every three months.

Article 23 Conduct of meetings of the board of directors

23.1. The chairman of the board of directors shall preside at all meetings of the board of directors. In the absence of a chairman, the co-chairman shall preside the relevant meeting of the board. In the absence of both, the board of directors may appoint another director as chairman pro tempore.

23.2. The board of directors can act and deliberate validly only if at least half of its members are present or represented at a meeting of the board of directors.

23.3. Resolutions are adopted with the approval of a majority of the members present or represented at a meeting of the board of directors. In case of a tie, the chairman of the board of directors shall have a casting vote. In the absence of the chairman of the board of directors, the director who has been appointed as chairman pro tempore of the meeting shall not have a casting vote.

23.4. Any director may act at any meeting of the board of directors by appointing any other director as proxy in writing by mail, facsimile, electronic mail or by any other means of communication. Any director may represent one or several other directors.

23.5. Any director who participates in a meeting of the board of directors by conference-call, video-conference or by any other means of communication which allows such director's identification and which allows that all the persons taking part in the meeting hear one another on a continuous basis and may effectively participate in the meeting, is deemed to be present for the computation of quorum and majority. A meeting of the board of directors held through such means of communication is deemed to be held at the Company's registered office.

23.6. The board of directors may unanimously pass resolutions in writing which shall have the same effect as resolutions passed at a meeting of the board duly convened and held. Such resolutions in writing are passed when dated and signed by all directors on a single document or on multiple counterparts, a copy of a signature sent by mail, facsimile or a similar means of communication being sufficient proof thereof. The single document showing all signatures or the entirety of the signed counterparts, as the case may be, will form the instrument giving evidence of the passing of the resolutions and the date of the resolutions shall be the date of the last signature.

23.7. To the extent required by law, any director who has, directly or indirectly, a proprietary interest in a transaction submitted to the approval of the board of directors which conflicts with the Company's interest, must inform the board of directors of such conflict of interest and must have his declaration recorded in the minutes of the board meeting. The relevant director may not take part in the discussions on and may not vote on the relevant transaction.

23.8. The secretary or, if no secretary has been appointed, the chairman or a member of the board which was present at a meeting and is appointed *pro tempore* by the board to this effect shall draw up minutes of any meeting of the board of directors, which shall be signed by the chairman present or represented and by the secretary, as the case may be, or by any two directors.

Article 24 Dealings with third parties

The Company will be bound towards third parties in all circumstances by the joint signatures of any two directors or by the joint signatures or the sole signature of any person(s) to whom such signatory power has been granted by the board of directors, within the limits of such authorisation. With respect to matters that constitute daily management of the Company, the Company will be bound towards third parties by the signature of any person(s) to whom such power in relation to the daily management of the Company has been delegated in accordance with article 18 hereof acting alone or jointly in accordance with the rules of such delegation.

E. AUDITORS

Article 25 Independent auditor(s)

25.1 The operations of the Company shall be supervised by one or more independent auditors chosen among the members of the *Institut des réviseurs d'entreprises* in accordance with the Law.

25.2 The general meeting of shareholders shall determine the number of Independent auditors, shall appoint them and shall fix their remuneration and term of office which may not exceed six (6) years. A former or current independent auditor may be re-appointed by the general meeting of shareholders.

25.3 In case of a reduction of the number of independent auditors by death or in another manner by more than half, the management board must convene the general meeting of shareholders without undue delay in order to fill the vacancy/vacancies.

F. FINANCIAL YEAR—PROFITS—INTERIM DIVIDENDS

Article 26 Financial year

The Company's financial year shall begin on first January of each year and shall terminate on thirty-first December of the same year.

Article 27 Profits

27.1 From the Company's annual net profits five per cent (5%) at least shall be allocated to the Company's legal reserve. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of the Company's reserve amounts to ten per cent (10%) of the Company's issued share capital.

27.2 The annual general meeting of shareholders determines upon recommendation of the board of directors how the remainder of the annual net profits will be allocated. Until (and including) the last day of a sixty (60) months period beginning with the date of Consummation, the dividend distribution by the Company of an amount that is greater than the profits of the Company realized in the course of the preceding financial year (an "Extraordinary Dividend") requires the approval at a shareholders' meeting of (i) a majority of the B Shareholders and (ii) a majority of the C Shareholders.

In the event that distributions are made after the date of Consummation, (i) each share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (EUR 0.01) per share and (ii) each Class A Shares shall be entitled to the same fraction of (and the Class B Shares and the Class C Shares shall be entitled to none of) any distribution in excess of one eurocent (EUR 0.01).

The payment of the dividends to a depositary operating principally a settlement system in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depositary discharges the Company. Said depositary shall distribute these funds to his depositors according to the amount of securities or other financial instruments recorded in their name.

27.3 Sums contributed to the Company by a shareholder may also be allocated to the legal reserve, if the contributing shareholder agrees with such allocation. In case of a share capital reduction, the Company's legal reserve may be reduced in proportion so that it does not exceed ten per cent (10%) of the issued share capital.

27.4 Dividends which have not been claimed within five (5) years after the date on which they became due and payable revert back to the Company.

Article 28 Interim dividends—Share premium

28.1 The board of directors may pay interim dividends in accordance with the provisions of the Law. Until (and including) the last day of a sixty (60) months period beginning with the date of Consummation, the board of directors may only pay an interim dividend, which qualifies as an Extraordinary Dividend, with the approval at a shareholders' meeting of (i) a majority of the B Shareholders and (ii) a majority of the C Shareholders.

28.2 Notwithstanding the foregoing and subject to the Law, the board of directors may make use of any sums contributed to the share premium to (i) redeem shares In accordance with article 16 of these articles of association, and/or (ii) convert any amount thereof into share capital in order to issue shares upon the exercise of warrants issued by the Company, at the discretion of the board of directors and without reserving a preferential subscription right to existing shareholders in accordance with article 5.2 of these articles of association.

28.3 The board of directors shall create a specific reserve in respect of the exercise of any class A warrants of class B warrants issued by the Company (the "**Warrant Reserve**") and affect and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The board of directors may, at any time, fully or partially convert amounts contributed to such reserve to pay for the subscription price of any Class A Shares to be issued further to an exercise of class A warrants or class B warrants. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used to pay for the Class A Shares Issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant Reserve will be a distributable reserve.

G. LIQUIDATION

Article 29 Liquidation

In the event of the Company's dissolution, the liquidation shall be carried out by one or several liquidators, individuals or legal entities, appointed by the general meeting of shareholders resolving on the Company's dissolution which shall determine the liquidators'/liquidator's powers and remuneration.

H. GOVERNING LAW

Article 30 Governing law

These articles of association shall be construed and interpreted under and shall be governed by the Regulation and Luxembourg law. All matters not governed by these articles of association shall be determined in accordance with the Regulation and the Law.

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ANNEX V

**FORM OF PROXY
CARD / VOTING
INSTRUCTIONS**

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**FORM OF PROXY AND VOTING FORM FOR THE EXTRAORDINARY
GENERAL MEETING OF SHAREHOLDERS**

Helikos SE
Société européenne

(the “Company”)

Registered Office: 115, avenue Gaston Diderich L-1420 Luxembourg

R.C.S. Luxembourg B 148.525

Dear Shareholder,

You are holding (a) share(s) of the Company on June 22, 2011 at 6.00 p.m. CEST and are therefore entitled to participate to the extraordinary general meeting of shareholders of

Helikos SE

a company incorporated and existing as *société européenne* under the laws of the Grand Duchy of Luxembourg, having its registered office at 115, avenue Gaston Diderich, L-1420 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 148.525, which will be held on **July 1, 2011 at 12:00 (noon) CEST** at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg and at which the shareholders shall deliberate and vote on the following agenda:

AGENDA

1. Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result;
2. Presentation and approval of the proposed business combination with Exceet Group AG (the “**Transaction**”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval;
3. Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
4. Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
5. Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
6. Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period: During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
7. Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011, conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

8. Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation;
9. Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation.

“**Consummation**” shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG.

“**Warrant Holder Approval**” shall mean the approval by the warrant holders of the amendment of the terms and conditions of the Class A Warrants proposed in the special meeting of warrant holders convened for July 1, 2011.

In case you do not wish to attend the meeting in person, you may grant a proxy or vote by a voting form.

In case you wish to grant a proxy, please complete and sign Schedule 1 (Proxy) to this document and return it no later than on June 29, 2011 by mail, fax or email to the Centralizing Agent of the Company at:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
D-60325 Frankfurt am Main
Germany
Fax: +49/69 910-38794
Email: dct.tender-offers@db.com

In case you wish to vote by voting form, please complete and sign Schedule 2 (Voting Form) to this document and return it no later than on June 29, 2011 by mail, fax or by email to the Centralizing Agent.

Schedule 1

PROXY¹

FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The undersigned,

(please indicate First and Family Name, Address and Email Address OR
corporate name, registered office and registration number)

holder of (please check box as appropriate)

- ☐ _____ Class A Shares, as shown on the attached copy/-ies of the certificate(s)
- ☐ _____ Class B1 Shares, as shown on the attached copy/-ies of the share certificate(s)
- ☐ _____ Class B2 Shares, as shown on the attached copy/-ies of the share certificate(s)
- ☐ _____ Class B3 Shares, as shown on the attached copy/-ies of the share certificate(s)

of

Helikos SE

a company incorporated and existing as *société européenne* under the laws of the Grand Duchy of Luxembourg (the “**Company**”), hereby gives irrevocable proxy to (please check box as appropriate)

☐ the chairman of the extraordinary general meeting

☐ _____
(First and Family Name, Address of proxyholder)

to represent the undersigned at the extraordinary general meeting of the Company to be held in Luxembourg on July 1, 2011,

in order to deliberate and vote as follows on the agenda:

AGENDA

- | | | | |
|---|---------------------------------|--------------------------------|-------------------------------------|
| 1. Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result; | | | |
| 2. Presentation and approval of the proposed business combination with Exceet Group AG (the “ Transaction ”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 3. Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 4. Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 5. Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |

¹ No additional proxy or voting form is required in case a Redemption Notice has been provided in accordance with article 15.4 of the articles of association.

- | | | | |
|---|---------------------------------|--------------------------------|-------------------------------------|
| 6. Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period:
During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 7. Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011, conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 8. Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation; | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |
| 9. Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation. | YES
<input type="checkbox"/> | NO
<input type="checkbox"/> | ABSTAIN
<input type="checkbox"/> |

“**Consummation**” shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG.

“**Warrant Holder Approval**” shall mean the approval by the warrant holders of the amendment of the terms and conditions of the Class A Warrants proposed in the special meeting of warrant holders convened for July 1, 2011.

Any lack of clearly expressed choice in one or more of the various voting instruction options provided above will be considered an instruction to vote in favor of the proposed resolution. Any contradictory choice will be considered as an instruction to abstain from voting in respect of the proposed resolution.

Signed in _____ on _____ 2011

Name:

By:

Title:

Schedule 2

VOTING FORM

FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The undersigned,

_____,
(please indicate First and Family Name, Address and Email Address)

holder of (please check box as appropriate)

- _____
- ☐ Class A Shares, as shown on the attached copy of the certificate¹
 - ☐ Class B1 Shares, as shown on the attached copy of the share certificate(s)
 - ☐ Class B2 Shares, as shown on the attached copy of the share certificate(s)
 - ☐ Class B3 Shares, as shown on the attached copy of the share certificate(s)

in

Helikos SE

a company incorporated and existing as *société européenne* under the laws of the Grand Duchy of Luxembourg (the “**Company**”),

hereby declares that he/she/it shall not attend in person the annual general meeting of shareholders of the Company to be held on **July 1, 2011 at 12:00 (noon) CEST** at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg with the following agenda:

AGENDA

1. Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result;
2. Presentation and approval of the proposed business combination with Exceet Group AG (the “**Transaction**”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval;
3. Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;
4. Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
5. Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
6. Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period: During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;
7. Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011, conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

8. Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation;
9. Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation.

“**Consummation**” shall mean on the day of and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG.

“**Warrant Holder Approval**” shall mean the approval by the warrant holders of the amendment of the terms and conditions of the Class A Warrants proposed in the special meeting of warrant holders convened for July 1, 2011.

The undersigned hereby votes as follows on the proposed resolutions of the general meeting of shareholders:

First resolution: Acknowledgement of the meeting of holders of Class A Warrants and presentation of the result;

[no vote required]

Second resolution: Approval of the proposed business combination with Exceet Group AG (the “**Transaction**”) conditional upon [i] the approval of items 3 to 9 of the agenda and [ii] the Warrant Holder Approval;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Third resolution: Change of the name of the Company into “exceet Group SE” conditional upon [i] the approval of items 2 and 4 to 9 of the agenda and [ii] the Warrant Holder Approval and with effect as of the Consummation;;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Fourth resolution: Creation of new classes of shares to be entitled “Class C1 Shares”, “Class C2 Shares” and “Class C3 Shares”, determination of their rights, resolution that the Class C Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 3 and 5 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Fifth resolution: Amendment and determination of the rights of Class B Shares, resolution that the Class B Shares shall conditionally convert into Class A Shares and determination of the conditions of conversion, conditional upon [i] the approval of items 2 to 4 and 6 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Sixth resolution: Acknowledgement of the supplementary special report of the board of directors, reduction of the authorized capital and renewal of the authorization period: During the period of five years from the publication of the resolutions of this general meeting, the board of directors is authorized to issue shares regardless whether such shares are paid for in cash or in kind, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized share capital, to such persons and on such terms as they shall see fit, and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe to the shares issued conditional upon [i] the approval of items 2 to 5 and 7 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Seventh resolution: Amendment and full restatement of the articles of association of the Company in the form made available on the website of the Company since June 9, 2011 conditional upon [i] the approval of items 2 to 6 and 8 to 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Eighth resolution: Acknowledgment of the resignation of directors, granting of discharge to such directors and appointment of new directors, conditional [i] upon the approval of items 2 to 7 and 9 of the agenda, and [ii] the Warrant Holder Approval and with effect as of immediately after the board meeting of the Company taking place on the date of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Ninth resolution: Granting of a proxy to the board of directors to confirm compliance with conditions for conversion, acknowledge occurrence of the Consummation and make any statement, sign all documents, represent the shareholders in front of a Luxembourg notary and do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of the resolutions taken and the articles of association, conditional upon [i] the approval of items 2 to 8 of the agenda, and [ii] the Warrant Holder Approval and with effect as of the Consummation;

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____

NO: _____

ABSTENTION: _____

Any lack of choice in one or more of the various voting options provided above on a signed voting form or any contradictory choice on such form will be considered as abstention for the relevant resolution.

Signed in _____ on _____ 2011

Name:
By:
Title:

**FORM OF PROXY AND VOTING FORM FOR THE SPECIAL
MEETING OF WARRANTHOLDERS**

Helikos SE
Société européenne
(the “Company”)

Registered Office: 115, avenue Gaston Diderich L-1420 Luxembourg

R.C.S. Luxembourg B 148.525

Dear Warrantholder,

You were holding (a) Class A Warrant(s) (each a “**Warrant**”) of the Company and are therefore entitled to participate to the special meeting of warrant holders of

Helikos SE

a company incorporated and existing as *société Européenne* under the laws of the Grand Duchy of Luxembourg, having its registered office at 115, avenue Gaston Diderich, L-1420 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 148.525, which will be held on **July 1, 2011 at 11:00 (eleven) CEST**. The meeting will be held at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg and at which the holders of Class A Warrants of the Company shall deliberate and vote on the following agenda:

AGENDA

1. Presentation of the proposed acquisition by a wholly-owned subsidiary of the Company of all the outstanding shares of Exceet Group AG (the “**Transaction**”) to which the amendment of the terms and conditions of the Class A Warrants is subject;
2. Approval of amendments to the terms and conditions of Class A Warrants with effect on the day and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG, in particular providing the following:
 - Increase of the Exercise Price per Class A Share from nine euro (EUR 9) to twelve euro (EUR 12);
 - Amendment of the calculation formula that determines the number of Warrant Shares to be issued upon exercise of Class A Warrants so that upon exercise each holder will receive a number of Warrant Shares to be issued by the Issuer to the Warrantholder that is equal to the quotient derived from dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value on the date of exercise of the relevant Class A Warrants and the Exercise Price of the Class A Warrants by (y) twice the Fair Market Value on the date of exercise of the relevant Class A Warrants, with a maximum Fair Market Value of EUR 17;
 - Entitlement of each Class A Warrant to a cash payment of EUR 0.625 per Class A Warrant upon the consummation of the Transaction;
 - Extension of the term of the Class A Warrants to five (5) years from approval of the Transaction;
 - Increase of the Redemption Trigger Price to seventeen euro (EUR 17).

The proposed amendments to the terms and conditions of the Class A Warrants are further subject to the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction.

Pursuant to clause 10.1 of the terms and conditions of the Class A Warrants, amendment of the terms and conditions of the Class A Warrants require the written consent of the holders of a majority of the outstanding Class A Warrants.

Each Class A Warrantholder who holds one or more Class A Warrants of the Company on July 1, 2011, the date of this special meeting of warrant holders is admitted to participate and vote in the special meeting of Class A Warrantholders.

Class A Warrantholders (whose Class A Warrants are held in book-entry form through the operator of a securities settlement system or with a professional depositary or sub-depositary designated by such depositary) should receive from such operator or depositary or sub-depositary a certificate certifying the identity of the account holder, the number of their Class A Warrants recorded in their account and confirmation that transfers of such Class A Warrants are temporarily blocked until the close of the special meeting of the warrant holders.

To participate and vote in the special meeting of Class A Warrantholders shall submit a copy of such certificate via their custodian bank by mail, by fax or by e-mail until June 29, 2011 to the Centralizing Agent of the Company, being:

Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
D-60325 Frankfurt am Main Germany
Fax: +49/69 910-38794
E-mail: dct.tender-offers@db.com

Any Class A Warrantholder and/or proxyholder participating in the special meeting of Class A Warrantholders in person shall carry proof of identity at such meeting.

In case you do not wish to attend the meeting in person, you may grant a proxy or vote by a voting form.

In case you wish to grant a proxy, please complete and sign Schedule 1 (Proxy) to this document and return it until June 29, 2011 by mail, or email, or by fax to the Centralizing Agent of the Company at:

Centralizing Agent:
Deutsche Bank Aktiengesellschaft
Attn.: TSS/GES, Post-IPO Services
Taunusanlage 12
D-60325 Frankfurt am Main Germany
Fax: +49/69 910-38794
E-mail: dct.tender-offers@db.com

In case you wish to vote by voting form, please complete and sign Schedule 2 (Voting Form) to this document and return it no later than on June 29, 2011 by mail, fax or by e-mail to the Centralizing Agent.

Schedule 1

PROXY

FOR THE SPECIAL MEETING OF WARRANTHOLDERS

The undersigned,

_____,
(please indicate First and Family Name, Address *[and E-Mail Address]* OR
corporate name, registered office and registration number)

holder of _____ Class A Warrants, per the certificate certifying the identity of the account holder, the number of Class A Warrants held and blocked until the end of the special meeting of warrant holders in their account confirmed by the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository.

of

Helikos SE

a company incorporated and existing as *société européenne* under the laws of the Grand Duchy of Luxembourg (the “**Company**”), hereby gives irrevocable proxy to (please check box as appropriate)

☐ the chairman of the special meeting of warrant holders



_____,
(First and Family Name, Address of proxyholder)

to represent the undersigned at the special meeting of warrant holders of the Company to be held in Luxembourg on July 1, 2011,

in order to deliberate and vote as follows on the agenda:

AGENDA

1. Presentation of the proposed acquisition by a wholly-owned subsidiary of the Company of all the outstanding shares of Exceet Group AG (the “**Transaction**”) to which the amendment of the terms and conditions of the Class A Warrants is subject;

[no vote required]

2. Approval of amendments to the terms and conditions of Class A Warrants with effect on the day and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG, in particular providing the following:
 - Increase of the Exercise Price per Class A Share from nine euro (EUR 9) to twelve euro (EUR 12);
 - Amendment of the calculation formula that determines the number of Warrant Shares to be issued upon exercise of Class A Warrants so that upon exercise each holder will receive a number of Warrant Shares to be issued by the Issuer to the Warrantholder that is equal to the quotient derived from dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value on the date of exercise of the relevant Class A Warrants and the Exercise Price of the Class A Warrants by (y) twice the Fair Market Value on the date of exercise of the relevant Class A Warrants, with a maximum Fair Market Value of EUR 17;
 - Entitlement of each Class A Warrant to a cash payment of EUR 0.625 per Class A Warrant upon the consummation of the Transaction;
 - Extension of the term of the Class A Warrants to five (5) years from approval of the Transaction;
 - Increase of the Redemption Trigger Price to seventeen euro (EUR 17).

The proposed amendments to the terms and conditions of the Class A Warrants are further subject to the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction.

YES

☐

NO

☐

ABSTAIN

☐

Any lack of choice in respect of the voting instruction options provided above will be considered an instruction to vote YES in favor of the proposed resolution. Any contradictory choice will be considered as an instruction to abstain from voting in respect of the proposed resolution.

If I have indicated a Yes vote above, I consent to the above-referenced amendment to the terms and conditions of the Class A Warrants on the terms described above and give my proxy to the person named above to sign on my behalf any documents evidencing such consent.

If I am in the United States, I understand that the Class A Warrants have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be resold in the United States absent registration under the Securities Act or an available exemption thereunder. I agree that I will not offer, resell, pledge or otherwise transfer the Class A Warrants (or the Class A Shares delivered upon exercise of the Class A Warrants) or any beneficial interest therein except outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act. For the avoidance of doubt, a sale of the Class A Shares or Class A Warrants on the Frankfurt Stock Exchange will be free of restriction and satisfy these obligations, so long as the transaction is not pre-arranged with a buyer in the United States and is otherwise conducted in accordance with Rule 904. I understand that Rule 144 will not be available for transfers of the Class A Shares or Class A Warrants. I agree to notify any broker I use to execute any resale of the Class A Shares or Class A Warrants of these restrictions.

Signed in _____ on _____ 2011

Name:

By:

Title:

Schedule 2
VOTING FORM
FOR THE SPECIAL MEETING OF WARRANTHOLDERS

The undersigned,

_____,
(please indicate First and Family Name, Address and E-Mail Address OR
corporate name, registered office and registration number)

holder of _____ Class A Warrants, per the certificate certifying the identity of the account holder, the number of Class A Warrants held and blocked until the end of the special meeting of warrant holders in their account confirmed by the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository.

of

Helikos SE

a company incorporated and existing as *société européenne* under the laws of the Grand Duchy of Luxembourg (the “**Company**”),

hereby declares that he/she/it shall not attend in person the special meeting of warrant holders of the Company to be held on **July 1, 2011 at 11:00 (eleven) CEST** at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg with the following agenda:

AGENDA

1. Presentation of the proposed acquisition by a wholly-owned subsidiary of the Company of all the outstanding shares of Exceet Group AG (the “**Transaction**”) to which the amendment of the terms and conditions of the Class A Warrants is subject;
2. Approval of amendments to the terms and conditions of Class A Warrants with effect on the day and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG, in particular providing the following:
 - Increase of the Exercise Price per Class A Share from nine euro (EUR 9) to twelve euro (EUR 12);
 - Amendment of the calculation formula that determines the number of Warrant Shares to be issued upon exercise of Class A Warrants so that upon exercise each holder will receive a number of Warrant Shares to be issued by the Issuer to the Warrantholder that is equal to the quotient derived from dividing (x) the product of the number of Class A Warrants exercised, multiplied by the difference between the Fair Market Value on the date of exercise of the relevant Class A Warrants and the Exercise Price of the Class A Warrants by (y) twice the Fair Market Value on the date of exercise of the relevant Class A Warrants, with a maximum Fair Market Value of EUR 17;
 - Entitlement of each Class A Warrant to a cash payment of EUR 0.625 per Class A Warrant upon the consummation of the Transaction;
 - Extension of the term of the Class A Warrants to five (5) years from approval of the Transaction;
 - Increase of the Redemption Trigger Price to seventeen euro (EUR 17).

The proposed amendments to the terms and conditions of the Class A Warrants are further subject to the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction.

First resolution: Presentation of Transaction to which the amendment of the terms and conditions of the Class A Warrants are subject;

[no vote required]

Second resolution : Approval of the amendment of the terms and conditions of Class A Warrants in accordance with the amended terms and conditions attached to the minutes of this meeting which were made available on the website of the Company since June 9, 2011 with effect on the day and immediately prior to the time at which the Company, together with its direct subsidiaries, become the sole shareholders of Exceet Group AG and subject to the approval of the Transaction by an extraordinary general meeting of shareholders of the Company and the consummation of the Transaction.

Decision

(please mark your decision
by a cross in the corresponding
space reserved to that effect below)

YES: _____
NO: _____
ABSTENTION: _____

Any lack of choice of one or more of the various voting options provided above on a signed voting form or any contradictory choice on such form will be considered as abstention for the relevant resolution.

I acknowledge and confirm that I have obtained a complete copy of the amended terms and conditions of the Class A Warrants and based my vote on resolution 2 above on such copy.

If I have voted Yes, I hereby consent to the above referenced amendments on the terms described above.

If I am in the United States, I understand that the Class A Warrants have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be resold in the United States absent registration under the Securities Act or an available exemption thereunder. I agree that I will not offer, resell, pledge or otherwise transfer the Class A Warrants (or the Class A Shares delivered upon exercise of the Class A Warrants) or any beneficial interest therein except outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act. For the avoidance of doubt, a sale of the Class A Shares or Class A Warrants on the Frankfurt Stock Exchange will be free of restriction and satisfy these obligations, so long as the transaction is not pre-arranged with a buyer in the United States and is otherwise conducted in accordance with Rule 904. I understand that Rule 144 will not be available for transfers of the Class A Shares or Class A Warrants. I agree to notify any broker I use to execute any resale of the Class A Shares or Class A Warrants of these restrictions.

Signed in _____ on _____ June 2011

Name:
By:
Title:

ANNEX VI
FORM OF REDEMPTION
NOTICE

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REDEMPTION NOTICE

From: _____,
(please indicate first and family name, address OR
corporate name, registered office/place of business, registration authority and registration number)
Via: Custodian Bank of Shareholder: _____
(please indicate the name of the custodian bank)

To: **Helikos SE** (the “**Company**”), c/o Deutsche Bank Aktiengesellschaft, attn.: TSS/GES, Post-IPO
Services Taunusanlage 12, 60325 Frankfurt am Main, Fax: +49/69/910-38794, email: dct.tender-
offer@db.com as Centralizing Agent **by June 17, 2011, 6:00 p.m. (CEST) at the latest.**

Date June _____, 2011

Dear Sirs,

Extraordinary General Meeting of Shareholders of July 1, 2011 (“EGM”)—Redemption Notice

1. This is a Redemption Notice. I am the holder of _____ Class A Shares (the “**Shares**”) of the Company, which I hereby tender for redemption in accordance with article 15.4 (a) of the articles of association of the Company. Terms defined in the articles of association shall have the same meaning in this Redemption Notice, unless given a different meaning herein.
2. I hereby tender the Shares for redemption, which I declare having transferred to the special account of the Company opened in this respect on the date hereof. I hereby confirm my registration for the EGM as holder of the Shares, subject to a withdrawal of this Redemption Notice.
3. I hereby grant an irrevocable proxy to Mr. Dirk-Jan van Ommeren, C Director, or in his absence Mr. Jean-Michel Ropert, C Director of the Company, with the instruction to vote the Shares against all items on the agenda of the EGM unless the purchase option described in paragraph 5 below is exercised, in which case the Shares shall be voted in favor of all such items.
4. I acknowledge and agree that the redemption price for each of the Shares shall be ten point zero five six two five euro (€10.05625).
5. In accordance with Article 15.4 of the Company’s articles of association I hereby grant an option to Oranje Nassau Participaties BV (the “Wendel Shareholder”) to purchase any or all of the Class A Shares I have tendered for redemption at a price equal to €10.05625 per Class A Share. This option may be exercised by the Wendel Shareholder submitting to the Centralizing Agent an exercise notice in the form approved by the Company for this purpose at any time on or prior to June 21, 2011. The transfer of title of the Class A Shares for which the option is exercised shall only become effective upon the approval by the Company’s Shareholders of all of the proposals set forth in the convening notice for the EGM. If such approval is not granted, the title of Class A Shares for which the option was exercised shall not transferred, and such Class A Shares will be returned to the holder. If the shareholder approval is obtained, the undersigned directs the Centralizing Agent to transfer the purchased Class A Shares to or on the order the Wendel Shareholder against payment of the purchase price therefor. It is contemplated that settlement of the transaction shall take place promptly following the EGM pursuant to settlement procedures determined by the Company and the Centralizing Agent.
6. I acknowledge that I may withdraw this Redemption Notice in accordance with article 15.12 of the articles of association of the Company until **June 21, 2011 at 6:00 p.m. CEST** by providing a Withdrawal Notice to the Centralizing Agent, in which case the Shares will not be purchased pursuant to an exercised Class B Purchase Option, if any. In case of withdrawal, I acknowledge that to participate in the general meeting, I do not need to register for the general meeting separately, but need to provide a new form of proxy or voting form as described in the convening notice in the case I do not intend to attend the general meeting in person.
7. For the avoidance of doubt, I confirm that in case of conflicting Redemption Notice(s), the latest Redemption Notice received by the Company no later than **June 17, 2011 at 6:00 p.m. CEST** shall be taken into account.

Signed in _____ on June _____, 2011.

Name:

By:

Title

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ANNEX VII

**FORM OF NOTICE OF
WITHDRAWAL OF
REDEMPTION**

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WITHDRAWAL NOTICE

From: _____,
(please indicate first and family name, address
OR corporate name, registered office/place of business, registration authority and registration number)

Via : Custodian Bank of Shareholder: _____
(please indicate the name of the custodian bank)

To: **Helikos SE** (the “**Company**”), c/o Deutsche Bank Aktiengesellschaft, attn.: TSS/GES, Post-IPO Services
Taunusanlage 12, 60325 Frankfurt am Main, Fax: +49/69/910-38794, email: dct.tender-offer@db.com as
Centralizing Agent by **June 21, 2011, 6:00 p.m. (CEST) at the latest.**

Date June _____, 2011

Dear Sirs,

Extraordinary General Meeting of Shareholders of July 1, 2011 (“EGM”)—Withdrawal Notice

1. This is a Withdrawal Notice. I have tendered _____ Class A Shares (the “**Shares**”) of the Company for redemption in accordance with article 15.4 (a) of the articles of association of the Company and provided a Redemption Notice in respect to such Shares to the Company. Terms defined in the articles of association shall have the same meaning in this Withdrawal Notice, unless given a different meaning herein.
2. I hereby withdraw the Redemption Notice provided to the Company in accordance with article 15.12 of the articles of association of the Company.
3. I acknowledge that the Shares will not be redeemed by the Company and/or purchased pursuant to the exercise of the Class B Purchase Option, if any, but they will be returned to me. In case of withdrawal, I acknowledge that to participate in the general meeting, I do not need to register for the general meeting separately, but need to provide a new form of proxy or voting form as described in the convening notice in the case I do not intend to attend the general meeting in person.
4. I hereby expressly revoke the proxy granted to Mr. Dirk-Jan van Ommeren, C Director, or in his absence Mr. Jean-Michel Ropert, C Director in the Redemption Notice with respect to the Shares.
5. Any subsequent Redemption Notice received after this Withdrawal Notice shall be given effect only if it complies with all of the applicable procedures described in the convening notice for the EGM and article 15.4 of the articles of association and is validly submitted before the deadline specified therein.

Signed in _____ on June _____, 2011.

Name:

By:

Title

