

# FREIMÜLLER / OBEREDER / PILZ & PARTNER

RECHTSANWÄLTE GmbH

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The Boundholders  
A-TEC INDUSTRIES AG  
2005-2010  
**ISIN: AT0000499272**

Wien, 30. Dezember 2010  
ATECKur-10 - 51  
8/KF

## **Reorganisation proceedings A-TEC INDUSTRIES AG Bond 2005-2010, ISIN: AT0000499272**

Dr. Georg Freimüller  
Dr. Alois Obereder  
Mag. Michael Pilz  
Dr. Erwin Senoner  
Dr. Michael Celar

Dr. Simone Metz, LL.M.

Dear Madam/Sir,

Under the given situation please be informed as follows:

- By resolution of the Commercial Court Vienna (acting as trustee-court) of 28th December 2010 all Kurators (trustees) were authorized to consent with the proposed reorganisation schedule under certain conditions. Please find attached (att. ./1) the courts decision, essential parts of the given reasons and the court´s instruction o the right to appeal.
- In the hearing of 29th Decemer 2010 the proposed reorganisation schedule was adopted accoding to the resolution of 28th December 2010 with the required majorities.
- In the following days we will make available additional information on the date of the announcement of the mentioned decision of 28th December 2010 in the .

Yours sincerely,

G. Freimüller

Encl.

**CERTIFIED TRANSLATION FROM GERMAN**17 Nc 14/10x  
17 Nc 15/10v  
17 Nc 16/10s

Logo "JUŠTIZ"

Vienna Commercial Court  
A-1030 Vienna, Marxergasse 1a  
Tel.: 01/51 52 8, Fax: 01/51 52 8 576**Case involving court-appointed bondholders' guardians:**A-TEC Industries AG  
Wächtergasse 1/3/1  
A-1010 Vienna1<sup>st</sup> court-appointed bondholders' guardian:Dr. Georg Freimüller, attorney-at-law, A-1080 Vienna, Alserstrasse 21,  
telephone.: +43/1/1406 05 51, e-mail: [kanzlei@jus.at](mailto:kanzlei@jus.at)A-TEC INDUSTRIES AG  
Bond 2005-2010

Issuer:	A-TEC Industries AG
Amount issued:	€ 100 million
Coupon:	5.75%
Time to maturity:	5 years (date of maturity: 2 November, 2010)
Listing:	Vienna (regulated over-the-counter market)
Denomination/par value:	€ 10,000.00
Lead manager:	Raiffeisen Zentralbank AG
ISIN:	AT0000499272

2<sup>nd</sup> court-appointed bondholders' guardian:Dr. Ulla Reisch, attorney-at law, A-1020 Wien, Praterstrasse 62-64  
telephone: +43/1/212 55 00, e-mail: [office.wien@ulsr.at](mailto:office.wien@ulsr.at)A-TEC INDUSTRIES AG  
Convertible bond 2007-2014

Issuer:	A-TEC Industries AG
Amount issued:	€ 180 million
Coupon:	2,75%
Time to maturity:	7 years (date of maturity: 10 May, 2014)
Listing:	Vienna (Third Market)
Denomination/par value:	€ 225.00
Lead manager:	Deutsche Bank, Nomura International
ISIN:	AT0000A05CS2

3<sup>rd</sup> court-appointed bondholders' guardian:

Dr. Susi Pariasek, attorney-at-law, A-1010 Vienna, Gonzagagasse 15

telephone.: +43/1/533 28 55, e-mail: [office@anwaltwien.at](mailto:office@anwaltwien.at)

A-TEC INDUSTRIES AG  
Convertible bond 2009-2014

Issuer:	A-TEC Industries AG
Amount issued:	€ 110 million
Coupon:	8.75%
Time to maturity:	5 years (date of maturity: 27 October, 2014)
Listing:	Vienna (Third Market)
Lead manager:	Nomura International
ISIN:	AT0000A0F795

#### COURT ORDER

The following legal actions taken by Dr. Georg Freimüller, Dr. Susi Pariasek and Dr. Ulla Reisch in their capacities of court-appointed bondholders' guardians of the holders of bonds or convertible bonds issued by ATEC Industries AG (bond 2005-2010, convertible bond 2007-2014 and convertible bond 2009-2014) are approved:

Consent to the proposal for a reorganisation schedule of A-TEC Industries AG – at least at the following terms:

1. Payment of a dividend of at least 47% within 2 years of acceptance of the reorganisation schedule;
2. Additional payment of a super dividend by way of distribution of 70% of the released security amounts for the conditional claims from liability relationships listed in Item 9.3.3. of the reorganisation administrator's report of 16 December, 2010 (pessimistic scenario) to the creditors within the scope of the actual termination of the trusteeship pursuant to Section 157d IO (Insolvency Code).
3. Trusteeship by the transfer of the entire assets for administration and realisation within the meaning of Section 157g IO (Insolvency Code).
4. If the 47% dividend is not received by the trustee by 30 September 2011, together with the irrevocable authorisation to distribute the dividend to the creditors, provided that all trusteeship conditions have been met and if the trustee makes use of his realisation right, then all proceeds from the realisation shall be distributed to the creditors even if this dividend exceeds 47%, until all assets have been realised for the benefit of the creditors. If the 30% threshold of the legal minimum dividend is exceeded within the scope of this realisation, the creditors then waive any of their claims in excess of same.
5. If minor structural changes in the structure of the reorganisation schedule should occur prior to the hearing set to discuss the reorganisation schedule, this consent within the above meaning will also apply to a positive vote within the meaning of such changes, provided that the creditors are not disadvantaged compared to the application for the reorganisation schedule of 27 December, 2010.

A copy of the above court order shall be sent as an insolvency notification to the newspaper *Wiener Zeitung* and to the *Amtsblatt der Stadt Wien* (Official Journal of the Municipality of Vienna) for one-time publication. Furthermore, it is ordered that this insolvency notification be published in the database of insolvency notifications ([www.edikte.justiz.gv.at](http://www.edikte.justiz.gv.at)).

The court-appointed bondholders' guardians are ordered to monitor publication of the insolvency notification in the newspaper *Wiener Zeitung* and the *Amtsblatt der Stadt Wien* (Official Journal of the Municipality of Vienna) and to obtain a copy for the file of the case involving court-appointed bondholders' guardians.

## Note/Instructions regarding the Right of Appeal

Pursuant to Section 16 of the Act of 5 December 1877, Imperial Law Gazette no. 111/1877, decisions permitting, in whole or in part, an intervention for the granting of an approval as defined in Section 13 may be appealed by any one of the owners represented by the joint court-appointed bondholders' guardian (or liaison officers) by way of legally permissible remedies. Several owners may appeal by way of a joint petition. The period allowed for appeals shall commence for each individual owner on the day after the publication, pursuant to the regulation in Section 4, Sub-section 1, of the insolvency notification in the state newspaper.

## Statement of reasons

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Within the scope of being questioned by the court handling the case on 28 December 2010, the reorganisation administrator stated the following regarding this new reorganisation schedule (minutes of 28 December, 2010):

1. *I regard the proposal for a reorganisation schedule of 27 December, 2010 as beneficial and reasonable for the creditors. It is a clear improvement over the previous proposal for a reorganisation schedule and in comparison to my recommendation of 16 December, 2010. As to the feasibility of compliance with the plan, I refer to my written report of 16 December, 2010.*
2. *Regarding the offer of transferring shares I state that no shares have been given to me but that the draft of an agreement was signed in November 2010.*
3. *Of the insolvency claims of about € 641.1 million, of which it is expected that they will have to be recognised as of 27 December, € 476.6 million are conditional claims; included therein are the conditional claims of the convertible bond creditors, so that about € 266.6 million will have to be recognised as other conditional claims from liability relationships. This approximately corresponds to the pessimistic scenario as per Item 9.3.3 of my report of 16 December, 2010.*

This valuation and assessment agrees with the explanations given by Mag. Edgar Pitzer, chartered accountant and tax adviser and court-appointed and court-certified expert who, in his expert opinion, arrives at the following expert statement:

"To summarise, I state that the creditors' approval of the reorganisation schedule of A-TEC which was improved over the schedule of 2 December, 2010, is to be given preference over the refusal of the improved reorganisation schedule.

I give the following reasons for this finding:

1. Deloitte has, as instructed, determined indicative company values for three divisions of A-TEC along the lines of the Austrian expert opinion KFS/BW 1 of the Expert Senate for Business Management and Organisation of the Institute of Business Management, Tax Law and Organisation of the Chamber of Chartered Accountants. This expert opinion is undisputedly "state of the art" as far as science and practice in Austria are concerned. In my opinion the two expert valuation opinions (partly blackened out) regarding the machine tool manufacturing and drive systems divisions were, prepared *lege artis*.
2. The additions to and reductions from the values determined by Deloitte, as chosen by the reorganisation administrator, were easily understood by me, and I therefore consider the bandwidths determined for the market values (machine tool manufacturing and minerals & metals divisions) and the ratings for the drive systems and plant engineering divisions to be plausible.
3. Raising the dividend from 33.3% to 47%. In the event that the reorganisation schedule is rejected, i.e. bankruptcy proceedings are instituted and the assets immediately sold, the reorganisation administrator estimates the dividend to be in a range from 25% to 30%. The reorganisation administrator points out that his estimate is subject to considerable uncertainties. According to the insolvency statistics kept by "Kreditschutzverband von 1870 (KSV)", the average dividend in a bankruptcy is between 10% and 11%. A realisation under time pressure, compared to a structured sales process, always causes values to be destroyed to a substantial degree. In the opinion of the reorganisation administrator and also in my own opinion, financing of the dividend offered by A-TEC cannot be managed by the company itself. The entry of an investor, who meets the dividend, could render fulfilment of the reorganisation schedule possible.
4. Trusteeship by the transfer of the entire assets for administration and realisation within the meaning of Section 157g IO (Insolvency Code)."

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As the acceptance of the reorganisation schedule was found to be in the interest of the bond holders, both according to the logical statements of the court-appointed bondholders' guardians, the report by the reorganisation administrator and the expert opinion of expert Mag. Pitzer, the applications had to be granted.

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Vienna Commercial Court A-1030 Vienna, Marxergasse 1a

Dep. 17, 28 December 2010

**Mag. Peter Hadler**

**Judge**

Copy certified correct: Clerk of the Court:

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Wien, am 30. Dezember 2010 Vienna, 30 December 2010

Die genaue Übereinstimmung der vorstehenden Übersetzung mit der angehefteten Abschrift bestätige ich unter

Berufung auf meinen Eid.

The exact correspondence of the above translation to the attached copy of the original document is attested by

my sworn oath as general court interpreter for the English language.

Dipl. Dolm. Liese Katschinka