

Report of the Management Board on item 8 on the agenda of the ordinary General Meeting of S&T System Integration & Technology Distribution AG on 15 May 2009 (authorized capital) pursuant to Section 65 (1b) in conjunction with Section 170 (2) and Section 153 (4) of the Austrian Stock Corporations Act (AktG)

At the ordinary General Meeting of the shareholders of S&T System Integration & Technology Distribution AG on 15 May 2009, it is moved under item 8 on the agenda to revoke the existing authorized capital and to authorize the Management Board to raise the Company's share capital, once or several times within 5 years as of registration of the resolution of the General Meeting in the companies register, by up to EUR 3,585,016 (three million five hundred and eighty-five thousand and sixteen Euros) to not more than EUR 10,755,050 (ten million seven hundred and fifty-five thousand and fifty Euros) by issuing up to 1,792,508 (one million seven hundred and ninety-two thousand five hundred and eight) bearer share units also, in part or in whole, against in-kind-contribution, to the exclusion, in part or in whole, of the previous shareholders' subscription rights, and to determine in agreement with the Supervisory Board the issuing price as well as the terms of issue. The Supervisory Board is authorized to adopt amendments of the articles of association resulting from the issue of shares from authorized capital.

Pursuant to Section 65 (1b) in conjunction with Section 170 (2) and Section 153 (4) of the Austrian Stock Corporations Act, the Management Board shall submit to the General Meeting a written report to explain why the subscription right is excluded in whole or in part if the Management Board is to be authorized by the General Meeting to exclude the existing shareholders' subscription rights in the context of issuing new shares from the authorized capital.

In the context of pursuing its strategy to develop the S&T Group, the Management Board regularly conducts negotiations on strategic investments. In those negotiations, contracting partners frequently want to make a contribution in kind in return for the receipt of shares in the Company, to exchange shares, or to purchase new shares of the Company in return for cash payment. To facilitate the above for investors and to enter into strategic partnerships in the interest of the S&T Group's development, the Management Board considers it necessary to be authorized to exclude the shareholders' subscription rights as may be necessary and reasonable. This is the only way of increasing capital against contributions in kind, exchanging shares or receiving an investment from a strategic partner or an investor. An investment by a strategic partner or an investor by way of a cash capital increase would enable the Company to extend its business operations with that partner's assistance.

The Management Board believes that such an investment by a strategic partner or an investor involves significant advantages for the Company: A partner's investment could broaden the S&T Group's technology and know-how basis and enable the S&T Group to quickly develop and implement new products and services. The S&T Group could participate in a partner's infrastructure and would not have to engage in a cost-intensive and time-consuming extension of its own infrastructure. Finally, a partner's investment could significantly facilitate access to new and international customers.

The addressed strategic partners or investors would regularly be companies with a worldwide reputation which, according to the Management Board's experience, insist on the availability of authorized capital to ensure that, once a proposed cooperation with the S&T Group is announced, all approvals have been granted in order to avoid, as much as possible, any damage to such a company's reputation should the transaction fail. The Management Board therefore believes that making a decision to increase the capital only after the conclusion of the necessary investment agreements would be no suitable alternative to the existence of authorized capital with an option to exclude subscription rights.

Vienna, April 2009

The Management Board