

INVITATION TO THE
ANNUAL GENERAL MEETING 2006

NEW

CHALLENGES | *BEGINNINGS*



BEGINNINGS NEW CHALLENGES *NEW BEGINNINGS*

Agenda at a glance

1. Presentation of the approved annual financial statements and annual consolidated financial statements as of December 31, 2005, the Management Board's status report for ELMOS Semiconductor AG and its group status report, and the Supervisory Board's report for the fiscal year 2005
2. Resolution on the appropriation of retained earnings
3. Resolution on the formal discharge of the Management Board for the fiscal year 2005
4. Resolution on the formal discharge of the Supervisory Board for the fiscal year 2005
5. Election of the auditor for the fiscal year 2006
6. Adjustment of the Articles of Incorporation to the Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts – UMAG (Act on Corporate Integrity and Modernization of the Right of Rescission)
7. Resolution on the authorization to purchase own shares
8. Cancellation of the existing Authorized Capital I and creation of a new Authorized Capital I with corresponding amendments to the Articles of Incorporation
9. Amendment to the shareholders' resolution on agenda item 6 of the Annual General Meeting of April 27, 2004 (Conditional Capital III)
10. Resolution on the non-disclosure of the Management Board members' individual remuneration as required by Sections 285 and 314 HGB (Commercial Code)

**Invitation to the 7th Annual General Meeting
of ELMOS Semiconductor AG, 44227 Dortmund, Germany
(ISIN DE0005677108, Wertpapier-Kenn-Nummer 567 710)**

Dear shareholders,

our 7th Annual General Meeting will be held on Friday, May 19, 2006, at 10.00 a.m. at the Casino Hohensyburg, Hohensyburgstraße 200, 44265 Dortmund, Germany.

Agenda

1. **Presentation of the approved annual financial statements and annual consolidated financial statements as of December 31, 2005, the Management Board's status report for ELMOS Semiconductor AG and its Group status report, and the Supervisory Board's report for the fiscal year 2005**
2. **Resolution on the appropriation of retained earnings**
Management Board and Supervisory Board propose that the entire retained earnings of 42,532,947.25 Euro stated by ELMOS Semiconductor AG for the fiscal year 2005 be carried forward to new accounts.
3. **Resolution on the formal discharge of the Management Board for the fiscal year 2005**
Supervisory Board and Management Board propose that discharge be granted to the members of the Management Board.
4. **Resolution on the formal discharge of the Supervisory Board for the fiscal year 2005**
Management Board and Supervisory Board propose that discharge be granted to the members of the Supervisory Board.
5. **Election of the auditor for the fiscal year 2006**
The Supervisory Board proposes that Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, Dortmund, be elected auditor for the fiscal year 2006.
6. **Adjustment of the Articles of Incorporation to the Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts – UMAG (Act on Corporate Integrity and Modernization of the Right of Rescission)**
 - a) By the Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts, in short UMAG (Act on Corporate Integrity and Modernization of the Right of Rescission), which came into force on November 1, 2005, the provisions of Section 123 AktG (Corporations Act) with regard to convening the Annual General Meeting and the shareholders' entitlement to participation in the Annual General Meeting were amended, among other regulations. By this revision, the period for convening the Annual General Meeting has been changed. Furthermore, depositing the shares prior to the Annual General Meeting is no longer necessary in particular. For the shareholders' entitlement, proof of shareholder capacity provided by the depositary bank is sufficient from now on. The proof must refer to a key date, the so-called record date. The Articles of Incorporation may also provide that shareholders need to register prior to the Annual General Meeting.

The Articles of Incorporation shall be adjusted to the changed legal framework. Therefore Management Board and Supervisory Board propose that the following amendments to the Articles of Incorporation be resolved:

- aa) In Section 10 of the Articles of Incorporation (Annual General Meeting), clause 10.2 is revised as follows:

“10.2 The Annual General Meeting is properly convened upon the Management Board’s publication of the convening notice in the elektronischer Bundesanzeiger (electronic Federal Gazette). Unless a shorter period is provided by law, the convening notice must be published at least 30 days prior to the day in the course of which the shareholders must register for the Annual General Meeting in accordance with Section 11.1. That day and the day the convening notice is published shall not be included in determining the convening period.”

- bb) In Section 11 of the Articles of Incorporation (Participation in the Annual General Meeting, Voting Rights), the first two clauses are revised as follows:

“11.1 Entitled to participate in the Annual General Meeting and to exercise their voting rights are those shareholders who register prior to the Annual General Meeting and prove their entitlement. Registration and proof of entitlement must be received by the company under the address announced in the convening notice in writing (Section 126 b BGB – Civil Code), in German or English, on the seventh day prior to the Annual General Meeting at the latest.”

“11.2 Requisite and sufficient proof of the entitlement to participate in the Annual General Meeting and to exercise one’s voting rights is a certificate of shareholder capacity issued by the depositary bank in writing. The convening notice may allow for further institutions the certificate may be issued by. The certificate must refer to the specific date prior to the Annual General Meeting provided for by the Aktiengesetz (Corporations Act) for this purpose.”

- b) With the UMAG, regulations relating to the proceedings of the Annual General Meeting were amended as well. According to the revised version of Section 131 (2) sentence 2 AktG, the Annual General Meeting’s chairman may be authorized in the Articles of Incorporation to impose an appropriate time limit on the shareholders’ rights to give speeches and ask questions. Therefore Management Board and Supervisory Board propose that Section 12 of the Articles of Incorporation (Proceedings of the Annual General Meeting) be amended by a new clause 12.4, which reads as follows:

“12.4 The chairman decides the sequence of the speakers and of the coverage of the agenda items. He may decide, insofar as is admissible, on summarizing several items covering similar topics in one item to be resolved, he may set adequate limits for the time for speaking and asking questions or for the total time allotted for speaking and asking questions within the proceedings of the Annual General Meeting, for individual agenda items and for individual speakers, either at the beginning or during the course of the Annual General Meeting, and he may, if made necessary in order to have a proper proceeding of the Annual General Meeting, order the debate to end.”

7. Resolution on the authorization to purchase own shares

By shareholders’ resolution of April 26, 2005, the Management Board was authorized to purchase the company’s own shares. This authorization is limited until October 25, 2006. The proposal provides for this resolution to be canceled and for the Management Board to be re-authorized to purchase the company’s own shares.

Management Board and Supervisory Board propose that the following resolution be passed:

- a) The company is authorized to purchase own shares until November 18, 2007.
- b) The authorization is limited to the purchase of shares accounting for a total of up to 10 % of the current share capital. The authorization may be exercised all at once or in several installments, once or several times, and for one purpose or several purposes within the framework of the above-mentioned limitation.
- c) The purchase is effected on the stock market, by means of a public submission of a tender offer directed at all of the company's shareholders, or by other means.
 - ▶ If the purchase of the shares is not effected by a public submission of a tender offer directed at all of the company's shareholders, the consideration paid per share by the company (not including additional purchase costs) may neither exceed nor undercut the opening price on the Xetra trade (or a functionally comparable successor system replacing the Xetra trade) of the Frankfurt/Main Stock Exchange on the day of purchase by more than 10 %.
 - ▶ If the purchase of the shares is effected by a public submission of a tender offer directed at all of the company's shareholders, the purchase price bid or the limits of the purchase price range offered per share (not including additional purchase costs) may neither exceed nor undercut the average amount of the closing prices on the Xetra trade (or a functionally comparable successor system replacing the Xetra trade) of the Frankfurt/Main Stock Exchange of the last three trading days prior to the day of the tender offer's publication by more than 10 %. The tender offer's volume may be limited. To the extent that the total subscription to the tender offer exceeds its volume, the acceptance must occur in proportion to the shares offered. A privileged acceptance of small numbers of up to 100 shares offered to the company for purchase per shareholder may be provided for.
- d) The Management Board is authorized to utilize the company's own shares purchased on the basis of the preceding authorization for the following purposes:
 - aa) They may be signed over to executives and employees of ELMOS Semiconductor AG as well as to management members and employees of affiliated companies within the framework of the share option plans 1999 and 2004 in fulfillment of subscription rights. Insofar as own shares are to be transferred to members of the company's Management Board within this framework, the company's Supervisory Board is hereto authorized. The provisions of the share option plans 1999 and 2004 are applicable: The key provisions of the share option plans 1999 and 2004 as decided by shareholders' resolution are available for inspection at the commercial register in Dortmund as part of the notarial records of respective Annual General Meetings. They may also be inspected on the premises of ELMOS Semiconductor AG at its headquarters, Heinrich-Hertz-Str. 1, 44227 Dortmund, Germany, and on the Internet at http://www.elmos.de/ir/corporate_governance/options/index.html. They will also be sent to the shareholders on request and will be available at the Annual General Meeting.
 - bb) They may be realized against contribution in kind, particularly in order to offer them to third parties with regard to business combinations or acquisitions of companies, operations, investments, or other assets.

- cc) They may be offered for purchase and signed over to executives and employees of ELMOS Semiconductor AG, management members and employees of affiliated companies, and freelancers.
- dd) They may be offered and signed over to members of the Management Board of ELMOS Semiconductor AG as share-based remuneration component by the Supervisory Board. The particulars of the share-based remuneration of members of the Management Board are determined by the Supervisory Board.
- ee) They may be retired without further shareholders' resolution on the retirement or its execution. They may also be retired in a simplified procedure without a capital decrease by adjusting the remaining shares' proportionate mathematical amount of the company's share capital. The retirement may be limited to a part of the purchased shares. If the retirement is effected in the simplified procedure, the Management Board is authorized to adjust the number of non-par value shares stated in the Articles of Incorporation.
- e) The shareholders' subscription rights to these shares are precluded insofar as these shares are utilized according to the authorizations granted in lit. d) aa), bb), cc), and dd).
- f) The authorization to purchase own shares as based on the shareholders' resolution of April 26, 2005 and limited until October 25, 2006 is canceled effective with the new authorization's coming into force.

8. Cancellation of the existing Authorized Capital I and creation of a new Authorized Capital I with corresponding amendments to the Articles of Incorporation

The authorization of the Management Board to increase the share capital with the Supervisory Board's approval according to Section 3.4 (Authorized Capital I) of the Articles of Incorporation is limited until April 5, 2006. This authorization will therefore be expired by the time the Annual General Meeting is held on May 19, 2006.

Therefore Management Board and Supervisory Board propose that the following resolution be passed:

- a) The Management Board is authorized to increase the share capital until May 18, 2011 with the Supervisory Board's approval by up to 9,650,000.00 Euro by the singular or repeated issuance of up to 9,650,000 new non-par value bearer shares against contributions in cash or contributions in kind and to decide on the rights represented by the new shares and the conditions of their issuance with the Supervisory Board's approval in accordance with Section 204 AktG. The Management Board may preclude the shareholders' subscription rights with the Supervisory Board's approval entirely or in part:
 - aa) In the case of effecting a capital increase against contributions in kind for the purpose of the acquisition of companies or investments in companies;
 - bb) in the case of effecting a capital increase against contributions in cash, provided the capital increase against contributions in cash does not exceed 10 % of the share capital, neither at the time of coming into force nor at the time this authorization is exercised, and the

issue price does not materially undercut the share's market price. To be included in the limit of 10 % of the share capital are shares issued or to be issued for servicing option bonds or convertible bonds insofar as those bonds have been issued under preclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG. The disposal of own shares is also to be included if the disposal occurs on the basis of an authorization for the disposal of own shares under preclusion of subscription rights in effect at the time the authorized capital comes into force;

- cc) in the case of effecting a capital increase against contributions in cash for the issuance to executives and employees of ELMOS Semiconductor AG, management members and employees of affiliated companies, freelancers, and, with the Supervisory Board's approval, members of the company's Management Board;
- dd) in the case of effecting a capital increase against contributions in cash for the clearing of residual amounts.

The Management Board is also authorized to determine the particulars of the capital increase and its exercise with the Supervisory Board's approval.

- b) Section 3.4 of the Articles of Incorporation is revised as follows:

"The Management Board is authorized to increase the share capital until May 18, 2011 with the Supervisory Board's approval by up to 9,650,000.00 Euro by the singular or repeated issuance of up to 9,650,000 new non-par value bearer shares against contributions in cash or contributions in kind and to decide on the rights represented by the new shares and the conditions of their issuance with the Supervisory Board's approval in accordance with Section 204 AktG (Authorized Capital I). The Management Board may preclude the shareholders' subscription rights entirely or in part with the Supervisory Board's approval:

- ▶ In the case of effecting a capital increase against contributions in kind for the purpose of the acquisition of companies or investments in companies;
- ▶ in the case of effecting a capital increase against contributions in cash, provided the capital increase against contributions in cash does not exceed 10 % of the share capital, neither at the time of coming into force nor at the time this authorization is exercised, and the issue price does not materially undercut the share's market price. To be included in the limit of 10 % of the share capital are shares issued or to be issued for servicing option bonds or convertible bonds insofar as those bonds have been issued under preclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG. The disposal of own shares is also to be included if the disposal occurs on the basis of an authorization for the disposal of own shares under preclusion of subscription rights in effect at the time the authorized capital comes into force;
- ▶ in the case of effecting a capital increase against contributions in cash for the issuance to executives and employees of ELMOS Semiconductor AG, management members and employees of affiliated companies, freelancers, and, with the Supervisory Board's approval, members of the company's Management Board;

- ▶ in the case of effecting a capital increase against contributions in cash for the clearing of residual amounts.

The Management Board is also authorized to determine the particulars of the capital increase and its exercise with the Supervisory Board's approval."

- c) The Supervisory Board is authorized to revise the current version of the Articles of Incorporation according to the particular utilization of the Authorized Capital I and after the expiration of the term of authorization.

9. Amendment to the shareholders' resolution on agenda item 6 of the Annual General Meeting of April 27, 2004 (Conditional Capital III)

The Annual General Meeting of ELMOS Semiconductor AG decided on April 27, 2004 by shareholders' resolution on agenda item 6 ("Resolution on the conditional increase of the share capital for granting subscription rights to Management Board members, other executives and employees of ELMOS Semiconductor AG, and to management members and employees of affiliated companies on the basis of a share option plan 2004, and corresponding amendments to the Articles of Incorporation") the conditional increase of the company's share capital by a nominal amount of up to 930,000.00 Euro (Conditional Capital III). The conditional capital increase is effected exclusively by the issuance of up to 930,000 new non-par value bearer shares entitled to dividend from the beginning of the fiscal year of the shares' issuance and only for the purpose of exercising subscription rights granted within the context of the share option plan 2004 of ELMOS Semiconductor AG in the period between October 1, 2004 through April 26, 2009. According to figure I. of the resolution on agenda item 6, the Annual General Meeting of April 27, 2004 instructed the Management Board and, insofar members of the Management Board are concerned, the Supervisory Board, to issue up to 930,000 subscription rights to one share each within the framework of the share option plan 2004 in annual tranches to the beneficiaries stated in the share option plan under preclusion of the shareholders' subscription rights. By this resolution, Management Board and Supervisory Board are bound with regard to the granting of subscription rights in the realization of the share option plan 2004 by use of the Conditional Capital III.

By this commitment, binding Management Board and Supervisory Board to issue annual tranches of subscription rights in accordance with the share option plan 2004 regardless of the developments on the stock markets, the respective boards' flexibility and freedom of action required for the realization of the share option plan and the achievement of its goals are thwarted.

Therefore Management Board and Supervisory Board propose that the following resolution be passed:

The Annual General Meeting's instruction of the Management Board and, as far as members of the Management Board are concerned, the Supervisory Board, to issue up to 930,000 subscription rights to one share each within the framework of the share option plan 2004 in annual tranches to the beneficiaries stated in the share option plan under preclusion of the shareholders' subscription rights as decided by shareholders' resolution of April 27, 2004 under agenda item 6, figure I., is canceled. The Management Board – with the Supervisory Board's approval – and, insofar as members of the Management Board are concerned, the Supervisory Board are

authorized until April 26, 2009 to issue up to 930,000 subscription rights to one share each within the framework of the share option plan 2004 to the beneficiaries stated in the share option plan under preclusion of the shareholders' subscription rights.

Apart from this, the shareholders' resolution on agenda item 6 of the Annual General Meeting of April 27, 2004 is not amended.

10. Resolution on the non-disclosure of the Management Board members' individual remuneration as required by Sections 285 and 314 HGB (Commercial Code)

Management Board and Supervisory Board propose that the following resolution be passed:

The information required by Sections 285 sentence 1 no. 9 lit. a sentences 5 to 9, 314 (1) no. 6 lit. a sentences 5 to 9 HGB (Commercial Code) for the notes to the financial statements and the consolidated financial statements (individualized disclosure of the Management Board members' remuneration) will not be given for the duration of five years.

Management reports for the Annual General Meeting on May 19, 2006

Report of the Management Board on agenda item 7 (authorization to purchase own shares) in accordance with Section 71 (1) no. 8 AktG (Corporations Act) read in conjunction with Section 186 (3) sentence 4, (4) sentence 2 AktG.

In the past Annual General Meetings, the company passed resolutions authorizing share repurchase and the subsequent disposal of purchased own shares, the last of which is limited until October 25, 2006. Because of the authorization's expiration in the current fiscal year, the resolution proposal at hand is intended to replace the authorization currently in force, decided by shareholders' resolution at the Annual General Meeting on April 26, 2005.

In addition to purchase on the stock market or other ways of purchase, e.g. by calling in a bank, the company is meant to be given the opportunity to purchase its own shares by the public submission of a tender offer (tender procedure). With this alternative, each of the company's shareholders with the intent to sell can decide how many shares he or she wants to offer and, if a price range is determined, at which price. If the volume of shares offered at the determined price exceeds the number of shares requested by the company, the acceptance must occur in proportion to each parcel of shares offered. The resolution shall make it possible to provide for a privileged acceptance of small offers or small contingents of offers of up to 100 shares. This possibility helps avoid fractions occurring in determining the quota to be acquired and small remaining parcels, thereby simplifying the technical processing.

The ELMOS share option plans 1999 and 2004 for members of the Management Board, other executives and employees of ELMOS Semiconductor AG as well as for management members and employees of affiliated companies are each safeguarded by conditional capital. The resolution as proposed under agenda item 7 is intended to make it possible for the company to service the share option plans 1999 and 2004 by the prior purchase of its own shares as well. By this proceeding, a dilution of existing shareholdings by an otherwise necessary capital increase is avoided in particular. The decisions on how the options are exercised in the individual case are made by the company boards; they will let themselves be governed only by the interests of shareholders and company and will report on their decisions at each following Annual General Meeting.

By the authorization granted, the company is meant to be able to have own shares to dispose of against contributions in kind, especially as consideration with regard to business combinations or acquisitions of companies, operations, or investments in companies. Domestic and international competition as well as a globalized economy increasingly require this kind of acquisition financing. The proposed authorization is intended to provide the company with the necessary range of options to seize any opportunities for the acquisition of companies or investments swiftly and in a flexible manner. This concern is met by the proposed preclusion of subscription rights. There are no specific plans for making use of this authorization. In determining the valuation proportions, the Management Board will make sure that the shareholders' interests are adequately considered. In calculating the value of shares disposed of as consideration, it will orient itself towards the market price of the share of ELMOS Semiconductor AG as a general rule. The Management Board will report to the Annual General Meeting on each utilization of this authorization.

Moreover, the company is intended to be able to offer and sign over shares to executives and employees of the company, management members and employees of affiliated companies, freelancers, and members of the company's Management Board. By the issuance of shares to the company's employees, an additional kind of share-based payment is meant to commit employees to the company and to attract qualified new employees to the company. The objectives of motivation and employee commitment to the company are in the company's interest. The preclusion of the shareholders' subscription rights with regard to the disposal of purchased own shares is a prerequisite to this. Members of the company's Management Board shall also be given the opportunity to be offered and assigned shares as share-based remuneration by the Supervisory Board. The possibility to sign over the company's own shares to the Management Board members as a remuneration component commits the members of the Management Board to the company and its economic success and is therefore in the company's interest as well. The decision on this is the sole responsibility of the Supervisory Board as the proper decision-making body which also decides on the particulars of the share-based remuneration of Management Board members.

Shares purchased on the basis of the proposed resolution on the company's authorization are meant to be subjected to retirement decided by the company even without a new shareholders' resolution. According to Section 237 (3) no. 3 AktG, the Annual General Meeting can decide the retirement of non-par value shares without the necessity of a decrease of the share capital. The proposed authorization provides for this alternative besides the retirement with a capital decrease. By a retirement of own shares without a capital decrease, the remaining non-par value shares' mathematical proportion of the share capital automatically rises. Therefore the Management Board shall be authorized to adjust the number of shares, reduced by the retirement, in the Articles of Incorporation.

Report of the Management Board on agenda item 8 (cancellation of the existing Authorized Capital I and creation of a new Authorized Capital I with corresponding amendments to the Articles of Incorporation) in compliance with Section 203 (2) sentence 2 AktG (Corporations Act) read in conjunction with Section 186 (4) sentence 2 AktG

According to Section 3.4 of the company's Articles of Incorporation (Authorized Capital I), the Management Board is authorized to increase the company's share capital by singular or repeated issuance of new bearer shares against contributions in cash or contributions in kind in compliance with Sections 202 ff AktG with the Supervisory Board's approval. This Authorized Capital is going to expire before the Annual General Meeting will be held on May 19, 2006. For this reason a new Authorized Capital I shall be created. The creation of authorized capital is particularly intended to increase the flexibility of Management Board and Supervisory Board for the realization of a capital increase irrespective of the event of an Annual

General Meeting. In the interest of this flexibility, it is necessary to authorize the Management Board in the individual cases stated in the resolution proposal to preclude the shareholders' subscription rights entirely or in part with the Supervisory Board's approval.

The authorization for the preclusion of subscription rights in order to dispose of the new shares against contributions in kind for the acquisition of companies or investments is meant to make it possible for the Management Board to have the company's own shares at its disposal without use of the stock market to be able, in appropriate individual cases, to acquire companies or investments in companies of industries or business fields ELMOS Semiconductor AG or an affiliated company of ELMOS Semiconductor AG is engaged in (or of related industries or business fields) against an allocation of the company's own shares. Company expansions resulting from a company or investment acquisition generally require fast decisions. Based on the proposed authorization, the Management Board is empowered to respond to advantageous offers on the domestic or international market or other beneficial opportunities swiftly and in a flexible manner and seize chances for company expansion by the acquisition of companies or investments in companies against the disposal of shares in the interest of the company and its shareholders.

Apart from the preclusion of subscription rights for residual amounts, the Management Board shall also be authorized to preclude the shareholders' statutory subscription rights in increasing the capital against contributions in cash of up to 10 % of the share capital so that shares can be issued at an issue price which does not materially undercut the market price according to Section 186 (3) sentence 4 AktG. The authorization to preclude subscription rights in order to issue the new shares against contributions in cash according to Section 186 (3) sentence 4 AktG makes it possible for the Management Board to issue shares for the purpose of placement at issue prices close to market prices. This makes it possible to generate a higher cash inflow with a capital increase than with an issuance of subscription rights. This allows for the shareholders' needs for protection against a dilution of their shareholdings. Even if this authorization was made full use of, a preclusion of subscription rights would only be possible to an amount corresponding with a maximum of 10 % of the share capital in existence at the time of the shareholders' resolution. It is also determined that the issuance of shares must be closely oriented towards the market price in order to safeguard the shareholders' interests.

The subscription rights shall also be subjected to preclusion in order to issue shares to executives and employees of the company, management members and employees of affiliated companies, freelancers, and, with the Supervisory Board's approval, members of the company's Management Board by means of a capital increase against cash. This authorization for the preclusion of subscription rights is intended to make it possible for the company to grant an additional kind of share-based payment, to commit its employees to the company further and attract new qualified employees to the company by the issuance of shares to the company's employees. As is the possibility to issue shares to members of the company's Management Board, the new Authorized Capital I is meant to supplement the authorization to purchase own shares in order to issue employee shares or shares to the members of the company's Management Board as proposed under agenda item 7 in this respect. The Management Board and, insofar as shares are offered to members of the Management Board, the Supervisory Board will let themselves be governed only by the interests of shareholders and company in addressing the issues of definition and kind of the conditions of employee shares and share-based remuneration of members of the Management Board, considering the shareholders' interest in avoiding the dilutive effect by the issuance of new shares in particular as far as possible. Management Board and Supervisory Board will report on their decisions and the number of shares issued within this framework.

Participation in the annual general meeting

Since the UMAG (Act on Corporate Integrity and Modernization of the Right of Rescission) came into force on November 1, 2005, the requirements for the entitlement to participate in the Annual General Meeting and the exercise of one's voting rights have changed. Our company's shareholders may follow one of the procedures stated below in order to meet the requirements for the right to participate in the Annual General Meeting and the exercise of their voting rights. To be entitled to participate, meeting the requirements of only one of the two following alternatives is sufficient.

Entitlement to participation by deposit

Entitled to participate in the Annual General Meeting and to exercise their voting rights are all shareholders whose shares are deposited during business hours with the company, a German notary, a central depository for securities, or one of the depositories listed below, by the beginning of the 21st day prior to the Annual General Meeting (April 28, 2006) and remain deposited there until its conclusion.

Depositories are:

- ▶ Deutsche Bank AG, Frankfurt
- ▶ WestLB AG, Düsseldorf/Münster

If the shares are not deposited with the company, the deposit certificate is to be submitted to the company on the first weekday subsequent to the expiration of the term of deposit at the latest. The depository's fax message received by the company within the stipulated period is a sufficient certificate. Tickets of admission to the Annual General Meeting are issued against the shares' deposit.

Entitlement to participation by proof of shareholder capacity

Also entitled to participate in the Annual General Meeting and to exercise their voting rights are those shareholders who submit special proof of their shareholder capacity, issued by their depository bank in writing, to the company under the following address:

ELMOS Semiconductor AG
c/o Deutsche Bank AG
General Meetings
60272 Frankfurt am Main

The proof of shareholder capacity must refer to the beginning of April 28, 2006 and must be received by the company before midnight of May 12, 2006. Upon the company's receipt of the proof of shareholder capacity, tickets of admission to the Annual General Meeting will be sent to the shareholders. In order to safeguard the timely receipt of their admission tickets, we ask our shareholders to see to the submission of their proof of shareholder capacity to the company in good time.

Proxy voting

Shareholders who do not want to participate in the Annual General Meeting in person may have their voting rights exercised by an authorized representative, e.g. a credit institution or a shareholders' association. As usual, shareholders may also have themselves represented in elections by proxies nominated by the company. These representatives must be provided with proxy and voting instructions. The company-nominated proxies are obligated to vote according to these instructions.

Shareholders who want to make use of this procedure require a ticket of admission to the Annual General Meeting. The original form for proxy and voting instructions printed on the ticket of admission are to be sent, filled out and signed, to the following address only:

Hauptversammlungsstelle
ELMOS Semiconductor AG
Heinrich-Hertz-Straße 1 | 44227 Dortmund | Germany | Fax +49 (0) 231-75 49-548

Internet broadcast of the annual general meeting

On the chairman's orders, all shareholders of ELMOS Semiconductor AG and the interested public are invited to follow the entire length of the Annual General Meeting live on the Internet on May 19, 2006 starting at 10.00 a.m. (www.elmos.de). Unrestricted online access to the live broadcast will be made available under Investor Relations/Annual General Meeting.

Shareholders' motions and election proposals

Counter motions and election proposals with regard to a specific item on the agenda are to be submitted to the address given below exclusively. Otherwise addressed counter motions and election proposals will not be considered.

Hauptversammlungsstelle
ELMOS Semiconductor AG
Heinrich-Hertz-Straße 1 | 44227 Dortmund | Germany | Fax +49 (0) 231-75 49-548

Shareholders' counter motions and election proposals received at above-mentioned address before midnight of May 4, 2006 will be made available to the other shareholders on the Internet at www.elmos.de upon proof of the applicant's shareholder capacity without delay. The motion or proposal is to be submitted in German. If it is meant to be published in English as well, a translation is to be enclosed. Possible statements made by the administration will also be published at the same Internet address subsequent to May 4, 2006.

Dortmund, March 2006

The Management Board

Information

Admission

The doors to the Annual General Meeting will open on May 19, 2006 at 9.00 a.m.

Parking space

Parking space will be available to our visitors at the Casino Hohensyburg for the duration of our Annual General Meeting. Please present your parking ticket upon registration so that we can exchange it for a parking voucher for free parking.

Shuttle service from/to Dortmund bus station

There will be a free shuttle service provided by the company Horn-Reisen from the Dortmund bus station – opposite the main station – to our Annual General Meeting at the Casino Hohensyburg and back, leaving at 9.00 a.m.

Public transport

The casino bus connects the Casino Hohensyburg with the Dortmund bus station at hourly intervals beginning at 2.03 p.m.

Directions

On A1 from Köln (Cologne), take the exit Hagen-Nord. From there follow the signs to the Casino Hohensyburg.

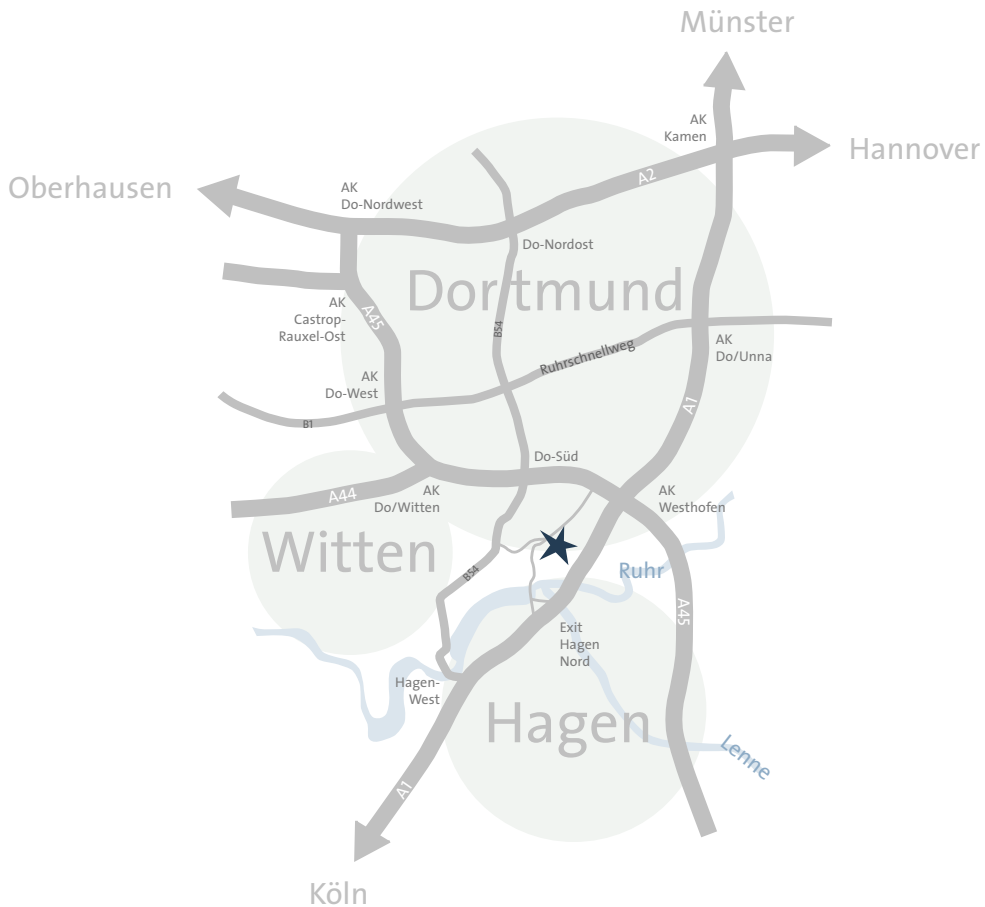
On A 44 or A 2, head towards Dortmund-Zentrum (city center) first. From the city, you will get to the Casino Hohensyburg via B 54 South.

On A 45, take the exit Dortmund-Süd in the direction of Hohensyburg. From there follow the signs to the Casino Hohensyburg.



Casino Hohensyburg
Hohensyburgstraße 200
44265 Dortmund | Germany

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ELMOS Semiconductor AG
Investor Relations
Heinrich-Hertz-Straße 1
44227 Dortmund
Germany

Phone +49 (0) 231-75 49-0
Fax +49 (0) 231-75 49-548
www.elmos.de

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