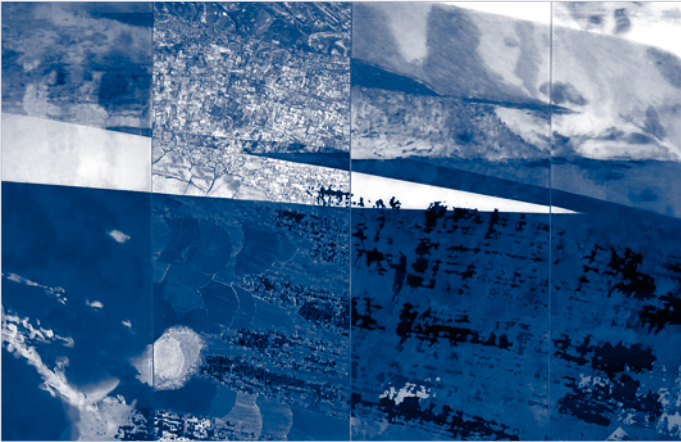


Invitation

to the Ordinary Annual General Meeting on June 25, 2009



Dear Shareholders,

We hereby formally invite you to attend the

Ordinary Annual General Meeting of BAUER AG

to be held on

Thursday, June 25, 2009 at 10 a.m.
(doors open 9 a.m.)

at the head office of BAUER Aktiengesellschaft
at BAUER-Strasse 1 (prior to renaming: Wittelsbacherstrasse 5),
86529 Schrobenhausen, Germany.

Agenda

1. Presentation of the confirmed annual financial statements, the approved consolidated financial statements of the Group, the management reports of BAUER Aktiengesellschaft and of the Group for the 2008 financial year, together with the report of the Supervisory Board and also the explanatory report of the Management Board relating to the disclosures pursuant to section 289, subsection 4 and section 315, subsection 4 of the German Commercial Code (HGB)

2. Resolution on the appropriation of net earnings available for distribution

The Management Board and Supervisory Board propose appropriation of the net earnings of BAUER Aktiengesellschaft for the 2008 financial year as follows:

Payment of a dividend to shareholders

of EUR 1.00 for each no-nominal-value

share eligible for dividend, with a total of

17,131,000 no-nominal-value shares	EUR	17,131,000.00
------------------------------------	-----	---------------

Allocation to revenue reserves	EUR	9,488,000.00
--------------------------------	-----	--------------

Profit carried forward	EUR	575,100.60
------------------------	-----	------------

Net earnings available for distribution	EUR	27,194,100.60
-----------------------------------------	-----	---------------

3. Resolution on ratification of the actions of the members of the Management Board for the 2008 financial year

The Management Board and Supervisory Board propose that the actions of the members of the Management Board during the 2008 financial year be ratified.

4. Resolution on ratification of the actions of the members of the Supervisory Board for the 2008 financial year

The Management Board and Supervisory Board propose that the actions of the members of the Supervisory Board during the 2008 financial year be ratified.

5. Election of auditors for the 2009 financial year

The Supervisory Board proposes that PricewaterhouseCoopers AG,

Wirtschaftsprüfungsgesellschaft, Stuttgart be elected as auditors of the parent company's financial statements and the Group consolidated financial statements for the 2009 financial year.

6. Resolution on authorization of the Management Board to acquire and appropriate treasury stock with the possibility to exclude the subscription rights and any tendering of delivery rights of the shareholders

In accordance with section 71, subsection 1, clause 8 of the German Stock Corporation Act (AktG), in order to acquire its own shares (treasury stock) the company requires special authorization by the Annual General Meeting, unless such an acquisition is expressly permitted by law. The proposed resolution regulates the possibilities of the company to acquire and subsequently appropriate treasury stock.

The Management Board and Supervisory Board propose the following resolutions:

a) The company is authorized, by December 24, 2010, to acquire treasury stock up to a total of 10 percent of the share capital of the company existing at the time the resolution is passed, subject to the proviso that shares acquired pursuant to the said authorization, together with other shares in the company which the company itself has already acquired and still owns, or which are attributable to it in accordance with sections 71 d and 71 e AktG, at no time account for more than 10 percent of the share capital of the company.

The shares shall be acquired at the discretion of the Management Board by means of a public tender offer or by means of a public invitation to submit such a tender offer (in the following referred to as a "public tender offer") or by way of the stock market.

If the acquisition is effected by way of the stock market, the acquisition price (excluding ancillary costs) may be no more than 10 percent above or below the price determined by the opening auction on the trading day for shares in the company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange.

If the acquisition is effected by means of a public tender offer, the offered purchase price or the limits of the offered purchase price span per share (excluding ancillary costs) may be no more than 10 percent above or below the average of the closing prices in Xetra

trading (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days prior to the day of issue of the public tender offer. Where the total number of shares tendered in respect of a public tender offer exceeds the volume of the offer, the acquisition may be effected according to the ratio of tendered shares (tender ratios). Additionally, preferential acceptance of low volumes (up to 50 shares per shareholder) may be stipulated, as may rounding in accordance with commercial principles in order to avoid arithmetic fractions of shares. Any further tendering of delivery rights of shareholders is thus excluded.

- b) The authorization under lit. a) may be exercised in full or in multiple partial amounts. The acquisition may also be effected by dependent Group subsidiaries as per the definition in section 17 AktG and/or by third parties for their account or for the account of the company.
- c) The Management Board is authorized to appropriate shares in the company acquired pursuant to the above authorizations for all legally admissible purposes, in particular in pursuing one or more of the following purposes:
 - aa) The aforementioned shares may also be sold by means other than by way of the stock market or by means of an offer to the shareholders, if the shares are sold for cash at a price (excluding ancillary costs) not materially below the price determined by the opening auction on the trading day for shares in the company in Xetra trading (or a comparable successor system). This authorization shall be restricted to shares accounting for no more than 10 percent of the share capital in total, either at the time this authorization comes into force or – if this value is less – at the time of exercising the said authorization. The maximum limit of 10 percent of the share capital shall be reduced by the proportional amount of the share capital accounted for by the shares issued or sold during the term of this authorization excluding subscription rights in accordance with or corresponding to section 186, subsection 3, clause 4 AktG.
 - bb) The aforementioned shares may be sold in return for non-cash payment, provided this is done for the purpose of effecting company mergers or acquiring companies, parts of companies, shareholdings in companies or other assets.

cc) The aforementioned shares may be redeemed without need of a further Annual General Meeting in order to approve the redemption or its execution. They may also be redeemed by a simplified procedure entailing no reduction in capital by adjustment of the proportional arithmetic amount of the remaining no-nominal-value shares constituting the company's share capital. The redemption may be restricted to a portion of the acquired shares. The authorization to redeem shares may be exercised more than once. If the redemption is effected by the simplified procedure, the Management Board shall be authorized to adjust the number of no-nominal-value shares in the company's Articles of Association.

The Management Board may exercise the authorizations in lit. c) aa) and bb) only with the consent of the Supervisory Board. The authorizations under lit. c) may be exercised once or more than once, in whole or in part, singly or jointly; the authorizations pursuant to lit. c) aa) and bb) may also be exercised by dependent Group subsidiaries as per the definition in section 17 AktG and/or by third parties for their own account or for the account of the company.

d) The subscription rights of shareholders are excluded if the acquired treasury stock is appropriated for one or more of the purposes cited in lit. c) aa) and bb). If the acquired treasury stock is sold by way of the stock market, subscription rights of shareholders shall likewise be excluded. In the event of sale of the acquired treasury stock by public offer to the shareholders, the Management Board shall be authorized to exclude the subscription rights of shareholders for residual amounts.

e) The Supervisory Board may stipulate that measures by the Management Board pursuant to this resolution of the Annual General Meeting are undertaken only with its consent.

7. Resolution on restructuring of remuneration paid to the Supervisory Board and appropriate amendment of the Articles of Association

The demands placed on the members of the Supervisory Board, and their workload, have been steadily increasing. The company is seeking to take appropriate account of that fact by means of a modest increase in their remuneration. The proposal is that the basic remuneration laid

down in Article 13, paragraph 1 of the Articles of Association be increased from EUR 12,000 per financial year to EUR 18,000 per financial year. It is also proposed that the remuneration of the Chairman, who receives double the basic remuneration, and of the Deputy Chairman, who receives 1.5 times the basic remuneration, be increased accordingly. The additional remuneration in respect of membership of Supervisory Board subcommittees would then be calculated subject to the provisions of Article 13, paragraph 3 of the Articles of Association as 10 percent of the increased basic remuneration respectively. It is proposed that the increase in remuneration take effect from the beginning of the financial year which started on January 1, 2009.

The Management Board and Supervisory Board propose the following resolutions:

a) that Article 13, paragraph 1 of the Articles of Association be amended as follows:

"1. In addition to the reimbursement of his cash outlays and any value-added tax charged to him for his tasks on the Supervisory Board, each member of the Supervisory Board receives a fixed remuneration of EUR 18,000 payable in the month of December of the financial year."

b) that the amendment to the Articles of Association cited under lit. a) of this agenda item be applied for the first time to the financial year which began on January 1, 2009 and that, on implementation, it replace the current provision contained in Article 13, paragraph 1 of the Articles of Association relating to the remuneration paid to members of the Supervisory Board.

Report of the Management Board in accordance with section 71, subsection 1, clause 8 AktG in conjunction with section 186, subsections 3 and 4 AktG relating to agenda item 6

Section 71, subsection 1, clause 8 AktG offers stock corporations the possibility to acquire treasury stock up to a total of 10 percent of their share capital based on authorization from the Annual General Meeting. Agenda item 6 contains a proposal to issue such an authorization, limited to a period of 18 months. The object of this is to enable the Management Board, in the interest of the company and its shareholders, to acquire treasury stock up to an amount equivalent to a total of 10 per-

cent of the current share capital of the company, either by way of the stock market or by means of a public tender offer. The proposal also stipulates that the acquisition may also be effected by dependent Group subsidiaries as per the definition in section 17 AktG or by third parties for the company's account or for the dependent Group subsidiaries' account.

Acquisition of treasury stock

As well as enabling acquisition by way of the stock market, the proposal also stipulates that the company should be able to acquire treasury stock through a public tender offer to the shareholders of the company or by public invitation to submit such an offer. Any such action must be in compliance with the principle of equality laid down in section 53 a AktG. In the case of public tender offers, the shareholders may decide how many shares are to be offered and – where a price span is stipulated – the price at which they wish to offer them to the company. If the number of shares offered at the set offer price exceeds the number of shares requested by the company, the proposed authorization permits the acquisition to be effected according to the ratio of tendered shares (tender ratios). Only if an acquisition is, by principle, based on tender ratios instead of on share ratios can the acquisition procedure be technically handled within a commercially reasonable framework. The proposal also stipulates preferential acceptance of smaller volumes up to a maximum of 50 shares per shareholder. The object of enabling this possibility is, firstly, to avoid small residual amounts, entailing a potential de facto disadvantage to small shareholders; secondly, it aims to simplify the technical handling of the acquisition procedure. Finally, it is proposed that in all cases, rounding according to commercial principles should be permissible, in order to avoid arithmetic fractions of shares. This is likewise intended to aid technical handling. An exclusion of any further tendering rights of shareholders entailed by this is considered objectively justified and appropriate with regard to the shareholders. The tender offer, or the invitation to submit such an offer, may stipulate additional conditions.

Appropriation of treasury stock

The treasury stock acquired by the company may be sold-on by way of the stock market or by means of a public offer to all shareholders.

This ensures conformance to the principle of shareholder equality on resale of the shares. Where the shares are sold by way of an offer to all shareholders, it is proposed that the Management Board be authorized to exclude the subscription rights of shareholders to the treasury stock for residual amounts. This very limited exclusion of subscription rights is often key to enabling the issue of new shares at all, and is essential in order to present a technically feasible subscription ratio. The surplus treasury stock excluded from the shareholders' rights of subscription will be realized either by being sold off through the market or in some other way to the optimum benefit of the company. The potential dilution is minimized because of the limitation to residual amounts and is therefore objectively justifiable.

Moreover, the proposed authorization enables the company also to sell the acquired treasury stock outside of the stock market for cash, without making a public offer to all shareholders. The precondition for this is that the shares are sold at a price not materially below the market price of shares in the company at the time of sale. This authorization utilizes the possibility to exclude subscription rights by a simplified procedure as permitted by section 71, subsection 1, clause 8 AktG in corresponding application of section 186, subsection 3, clause 4 AktG. The exclusion of subscription rights is in the interest of the company in terms of achieving the best possible price on selling the treasury stock. The revenue achievable by setting a price oriented to the market price generally results in a substantially higher in-flow of funds per share sold than share placements retaining subscription rights, which usually entail substantial discounts on the market price. Protection against share dilution is provided by the stipulation that the shares may only be sold at a price not materially below the determining market price. The authorization to exclude subscription rights when selling treasury stock pursuant to section 186, subsection 3, clause 4 AktG, incorporating any other authorizations to issue or sell shares excluding subscription rights in corresponding application of section 186, subsection 3, clause 4 AktG, is limited to a maximum of 10 percent of the share capital of the company in total. The determining criterion is the share capital at the time the authorization comes into force or when it is exercised, whichever is the lower. Protection against share dilution is provided by the stipulation that the shares may only be sold at a

price not materially below the determining market price. The definitive selling price of the treasury stock will be set shortly prior to the sale. The Management Board will calculate any discount against the market price according to the market conditions prevailing at the time of the placement as low as possible. It is stipulated that the discount against the market price at the time the authorization is exercised should be not more than 5 percent of the current market price. Shareholders wishing to maintain their relative equity ratio and voting rights have the opportunity to acquire the necessary number of shares to this end on the open market.

It is further proposed that the company be enabled to transfer treasury stock as quid pro quo consideration to third parties, provided this is done for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets or effecting company mergers. It is proposed that shareholders' subscription rights be likewise excluded in such cases. International competition and the globalization of the economy often demands that payment for such transactions be made in the form of shares. In view of the ever-increasing scale of corporate units involved in such transactions, funding can often not be provided in cash without placing major strain on the liquidity of the company or increasing the company's indebtedness to an unacceptable level. The possibility of acquiring shares for these purposes is already provided by the Authorized Capital in Article 4, subsection 4 of the Articles of Association, but it is further proposed that the possibility be established to allot shares in the company for these purposes without having to increase the capital, which would be more time-consuming because of the required entry in the Register of Companies and also would entail higher administrative costs. The proposed authorization seeks to provide the company with the necessary freedom to enter into mergers or undertake acquisitions quickly and flexibly as opportunities arise. If subscription rights were granted this would not be possible, and the associated benefits for the company would not be achievable. When concrete opportunities arise to acquire companies, parts of companies, shareholdings in companies or other assets, the Management Board will diligently review whether it should exercise the authorization to allot treasury stock. It will only do so if the undertaking is in the clearly understood interest of the company. In

setting the valuation ratios, the Management Board will ensure that the interests of the shareholders are appropriately maintained. It will orient its assessment of the value of the shares tendered by way of quid pro quo to the market price of the company's shares. No schematic linkage to a market price is proposed, in particular to ensure that achieved negotiation outcomes are not placed in question by fluctuations in the market price.

Finally, the proposed resolution authorizes the company to redeem treasury stock without further resolution of the Annual General Meeting. The authorization enables the company to respond appropriately and flexibly to prevailing capital market conditions. Pursuant to section 237, subsection 3, clause 3 AktG, the proposed authorization also permits the Management Board to redeem the shares without reducing the capital. By redeeming the shares without reducing the capital, the proportional amount of the remaining no-nominal-value shares as a percentage of the company's share capital is increased. By redeeming the treasury stock without reducing the capital, the arithmetic proportion of the remaining no-nominal-value shares as a percentage of the company's share capital is automatically increased. The Management Board is therefore authorized to amend the Articles of Association with regard to the changed number of no-nominal-value shares.

It is proposed that the Management Board be only allowed to utilize the authorization to acquire treasury stock outside of the stock market for cash, without making a public offer to all shareholders, or the authorization to transfer treasury stock, provided this is done for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets or effecting company mergers, with the consent of the Supervisory Board. Furthermore, the Supervisory Board may stipulate that measures by the Management Board pursuant to the proposed resolution of the Annual General Meeting be undertaken only with its consent.

In concurrence with the Supervisory Board, the Management Board considers the exclusion of subscription rights in the cases cited, for the reasons set out, taking into account a potential share dilution, as objectively justified and appropriate with regard to the shareholders.

The Management Board will notify the next Annual General Meeting of its exercising of the authorization.

Documentation in advance of the Annual General Meeting

The annual financial statements, the consolidated financial statements of the Group, the management reports of BAUER Aktiengesellschaft and of the Group for the 2008 financial year, together with the report of the Supervisory Board and also the explanatory report of the Management Board relating to the disclosures pursuant to section 289, subsection 4 and section 315, subsection 4 of the German Commercial Code (HGB), the proposal of the Management Board regarding the appropriation of net profit available for distribution and the report of the Management Board in accordance with section 71, subsection 1, clause 8 AktG in conjunction with section 186, subsections 3 and 4 AktG relating to agenda item 6 are available for inspection by shareholders at the offices of BAUER Aktiengesellschaft at BAUER-Strasse 1, 86529 Schrobenhausen, Germany. They can also be sent out to shareholders immediately free of charge on request. The aforementioned documents – which will also be available for inspection during the Annual General Meeting – and the Annual Report are also published on the Internet at www.bauer.de, in the Investor Relations/Annual General Meeting section.

Share capital and voting rights

At the time of convening the Annual General Meeting the share capital of the company totalling EUR 73,001,420.45 is divided into 17,131,000 no-nominal-value bearer shares with the equivalent voting rights. At the time of convening the Annual General Meeting the company holds no treasury shares.

Motions, proposals for election and shareholders' queries

Motions in accordance with section 126, subsection 1 AktG (counter-motions), proposals for election in accordance with section 127, subsection 1 AktG and shareholders' queries should be submitted, accompanied by proof of shareholding, to the following address only:

BAUER AG
Investor Relations
BAUER-Strasse 1
86529 Schrobenhausen, Germany
Fax 08252 97-2900

In compliance with the requirement of disclosure, we will publish motions and proposals for election received from shareholders immediately on receipt on the Internet at www.bauer.de, in the Investor Relations/Annual General Meeting section, and in the online version of the German Federal Gazette ("Bundesanzeiger"), accompanied by the comments of the Management where appropriate.

Conditions of participation

Only those shareholders shall be entitled to participate in the Annual General Meeting and exercise their voting rights who have registered in writing with the office designated below and furnished proof of their entitlement. Registrations and proof of entitlement must be received by no later than the end of the seventh day prior to the day of the Annual General Meeting – that is, by 12 p.m. (midnight) CEST on **June 18, 2009** – at the following address:

BAUER Aktiengesellschaft

c/o Deutsche Bank AG

General Meetings

60605 Frankfurt am Main, Germany

Fax +49 69 12012-86045

E-mail WP.HV@Xchanging.com

Shareholders must furnish proof of their right to attend the Annual General Meeting and to exercise their voting rights. This requires documentary proof of shareholdings from the depository bank or other financial institution. The documentation must be in German or English, and must relate to shares held at start of business on the twenty-first day prior to the Annual General Meeting – that is, **June 4, 2009**. On receipt of their registration and proof of shareholding by the designated office, shareholders will be sent tickets to attend the Annual General Meeting including proxy voting forms.

Proxy voting

Shareholders may also exercise their entitlement to participate and vote by means of a proxy, such as by the depository bank, a shareholders' association or another person of their choosing.

We also offer our shareholders the facility to exercise their voting rights by instructing proxies appointed by the company to vote on their behalf in advance of the Annual General Meeting. Shareholders wishing to assign their votes to the company-appointed proxies must be in possession of a ticket to attend the Annual General Meeting.

All proxies must be assigned in writing. Exceptions may be allowed for banks, shareholders' associations or equivalent persons or institutions – see section 135, subsections 9 and 12 AktG in conjunction with section 125, subsection 5 AktG. We therefore request our shareholders to consult banks, shareholders' associations or equivalent persons or institutions with regard to the form of proxies.

Where company-appointed proxies are assigned, they must in all cases be issued with instructions as to how voting rights are to be exercised. Without such instructions the proxy assignment is invalid. The proxies are obliged to vote in accordance with instructions.

Even where company-appointed proxies are assigned, registration and proof of entitlement pursuant to the provisions set out above must still be received by the stipulated date and time. All the aforementioned forms of participation and representation, in particular attendance in person or participation by way of a representative, or by named proxy by a bank or a shareholders' association, remain unaffected by the offer of a company-appointed proxy, and can still be exercised in full. Details on the assignment of proxy voting rights and the issuing of instructions to company-appointed proxies are given in the documentation sent out to registered shareholders.

Registered shareholders are still entitled to attend the Annual General Meeting in person after assigning their voting rights to a company-appointed proxy. Registration in person by the shareholder or his or her representative at the door to the Annual General Meeting shall be considered a rescission of the assigned proxy.

Schrobenhausen, May 2009

BAUER Aktiengesellschaft

The Management Board