

Translation from the German Language

BÖHLER - UDDEHOLM AG, Modecebtterstraße 14/A/3, A-1030 Vienna

To
OBSERVAR AG
To the attention of Mr. Peter Nauer
Feldstrasse 1
CH-6300 Zug

Our reference: Schö-sch
Extension phone/fax: -44/-95
Date: 2005-11-07

Re: Risk and Opportunity Management Using the OBSERVAR AG Methodology

Dear Mr. Nauer,

After we decided last year to introduce a risk and opportunity management using the software of your company within the whole group, we confirm today that we are very satisfied with the efficiency of this methodology.

In autumn last year, we had trained 15 risk managers of our most important group companies by OBSERVAR AG and between April and August this year we carried out 25 workshops under your project management supported by KPMG Linz. These workshops were carried out amongst others in Austria, Germany, Sweden, Singapore, Australia, Canada, Brazil and in the United States.

The results are very promising. Opportunities and risks are well defined and documented using the OBSERVAR tool. The holistic approach based on the COSO framework assures that all important areas of risks and opportunities of the company are addressed during the workshops. We were very impressed by the functionality of the analysis tool since it offered us the possibility to define our top risks and opportunities reliably and quickly.

The holistic approach of OBSERVAR entails a certain complexity within the process of risk management and in order to introduce OBSERVAR, it is necessary to train the risk managers properly. The results and the positive feedback of the companies involved, however, are clearly in favor of the selected approach.

Due to the excellent training, which you and your colleagues from KPMG offered us in order to become familiar with OBSERVAR we are now able to realize the risk and opportunity management within the whole group independently.

We are convinced that we have introduced with OBSERVAR an excellent risk and opportunity management within our group and that we have set a milestone for the further development of our company.

Sincerely yours,

BÖHLER-UDDEHOL AG



Mag. Horst Königslehner



ppa. Mag. Franz Schöppl