passion for efficiency

2012

PASSION FOR EFFICIENCY

9-MONTH REPORT – MANZ AG

2012 FINANCIAL CALENDAR

Date	
November 12, 2012	Publication of 2012 Q3 financial report
November 13, 2012	2012 German Equity Forum

OVERVIEW OF GROUP RESULTS

(in EUR million)	Jan. 1 to Sept. 30, 2012	Jan. 1 to Sept. 30, 2011
Revenues	147.70	191.97
Total operating revenues	156.99	217.95
EBIT	–3.50	3.79
EBIT margin (in %)	-	1.74
EBT	–4.57	3.24
Net income for the period	–7.34	2.73
Earnings per share (in euros)	–1.65	0.56
Operating cash flow	0.56	–15.30
Equity ratio (in %)	57.90	59.50*
Net debt	44.72	17.16*

* as of December 31, 2011

MANZ AG MISSION STATEMENT

As a high-tech engineering firm with technological core competencies in the fields of automation, laser processes, vacuum coating, screen printing, metrology, and wet-chemical processes, our goal is to develop production equipment and systems for fast-growing future markets worldwide. With our slogan "Passion for Efficiency", we promise to develop efficient and innovative production solutions for our customers in the strategic fields Display, Solar, and Battery. In doing so, Manz plays a key role in cutting the production costs of the end products and making them accessible to the mass market. Our strong international market position, our continuous work to advance our base technologies, and the systematic use of our standardized technological platforms allow us to successfully transfer technology across sectors and tap new growth industries as future sales markets. This spirit of invention spurs us on each and every day – it is what makes our company's dynamic growth possible.

CONTENT

LETTER FROM THE MANAGING BOARD

Dear Shareholders,

In recent years we were extremely successful in advancing our company in its growth from being an automation specialist to a supplier of integrated production solutions. As a result, today we offer a wide range of high-tech production solutions for the fast-growing display, photovoltaic, and lithium-ion battery markets. In this context, our product range encompasses individual pieces of equipment and integrated production clusters all the way to turnkey production lines. As a result, the wide customer base and different market dynamics in our target sectors as well as the varying project sizes have a stabilizing effect on our business model.

As we expected, in the third quarter of 2012 our revenue and earnings growth was weaker than it was in the first half of 2012 as a result of the low number of new orders we received during the second quarter. Furthermore, general market conditions became significantly worse in the third quarter of 2012 – in the solar industry, the willingness to make investments was almost completely nonexistent. Thanks to our strengths as a high-tech engineering company with a comprehensive portfolio of technologies and the continued growth in both our Display and Battery divisions, we were able to partially compensate for the loss of revenues and earnings in our Solar division. As a result, consolidated revenues in the reporting period totaled 147.7 million euros, after totaling 192.0 million euros in the same period last year. Among other factors, our increased Rohergebnis (a German accounting term similar to gross profit or loss that includes total revenues, changes in inventory of finished and unfinished goods, cost of materials, and other operating income) of approximately 91.0 million euros (previous year: 81.7 million euros) is proof that by diversifying into the two sunrise markets for displays and batteries we chose the right strategic focus for our company. Overall, however, due to the aforementioned market and industry developments – particularly in the photovoltaic industry – we recorded a net operating loss of –3.5 million euros for the first nine months of 2012.

The Display division, with its production equipment for the flat-panel-display industry, once again recorded a significant increase in revenue for the first nine months of 2012, generating 94.0 million euros and contributing around 63.6 % of the Group's total revenues (previous year: 77.7 million euros, equal to 40.5 %). In contrast to this positive growth, the Solar division recorded a decline in revenues in the reporting period from 57.9 million euros to 14.9 million euros. As a result, the Solar division contributed only 10.1 % of the Group's total revenues in the reporting period after contributing 30.2 % in the same period last year. In the Battery division, total revenues at the end of the third quarter of 2012 totaled 6.2 million euros, about equal to the revenues generated by this division in the same period last year. However, the majority of projects in this division's pipeline will be first reflected in revenues and earnings in the current fourth quarter, and as a result, we expect to significantly increase year-over-year revenues in this division of 10.0 million euros.

Consumer demand for smartphones, tablet PCs, and touch panels continues to grow. Despite several decisions to postpone investments, in the Display division we continue to expect a year-over-year increase in revenues and earnings for fiscal year 2012. Furthermore, as a result of our activities in this field, we believe we are extremely well positioned for the coming year. For example, in early November we acquired an additional major contract from one of our customers with a total value of approximately 20.8 million euros. The order comprises systems and plants for the production of components for touch panel applications.

In contrast, in the Solar division we are still facing a situation in the solar market that continues to be challenging and uncertain. Contrary to industry experts' expectations, so far in the second half of 2012, we have not seen the supply and demand of solar cells and panels reach equilibrium, which is why we are not expecting to see any major new investments being made during the current year. In addition, our revenue shortfalls and the ongoing development costs for our CIGS technology will significantly affect our consolidated earnings for the entire fiscal year. Despite this, we are still convinced of our CIGS technology's potential, and in the third quarter, we succeeded in increasing the efficiency of our CIGS panels to 14.6 % in industrial mass production – another world record in thin-film technology. At the same time, in the future solar panels will be able to generate power that, depending on the location, costs between 0.04 euros (Spain) and 0.08 euros (Germany) per kilowatt hour and, as a result, costs about the same as power from fossil fuel sources and significantly less than power generated by offshore wind parks. As a result of the achievements made thus far, we are significantly ahead of the schedule we set for ourselves for making technological advancements. As such, we are in an excellent position from which to benefit from the increasing willingness to make investments in the solar market expected over the medium term.

Nevertheless, our dampened expectations at the end of the second quarter of 2012 that we would not meet our original revenue and earnings targets have been confirmed in the third quarter of 2012. At the present time, we do not expect to achieve the 240.5 million euros in revenues that we generated last year. In light of current talks with a major customer in the Display division regarding new orders with a value in the eight-figure range, we will only be able to issue an exact forecast of revenues and earnings in the coming weeks due to our not yet knowing the exact number and value of the new orders. Due to our excellent position in the Display, Solar, and Battery segments, we are also confident that with an increasing willingness to make investments in the coming year all of our divisions will once again achieve revenue and earnings increases.

At this point, we would like to thank you – our valued shareholders – for your confidence in Manz AG, and we would also like to thank all of our employees for their tireless work and dedication, which is what allows us to make advancements to our technologies and, as a result, enter and develop new markets.

The Managing Board

Dieter Manz Martin Hipp

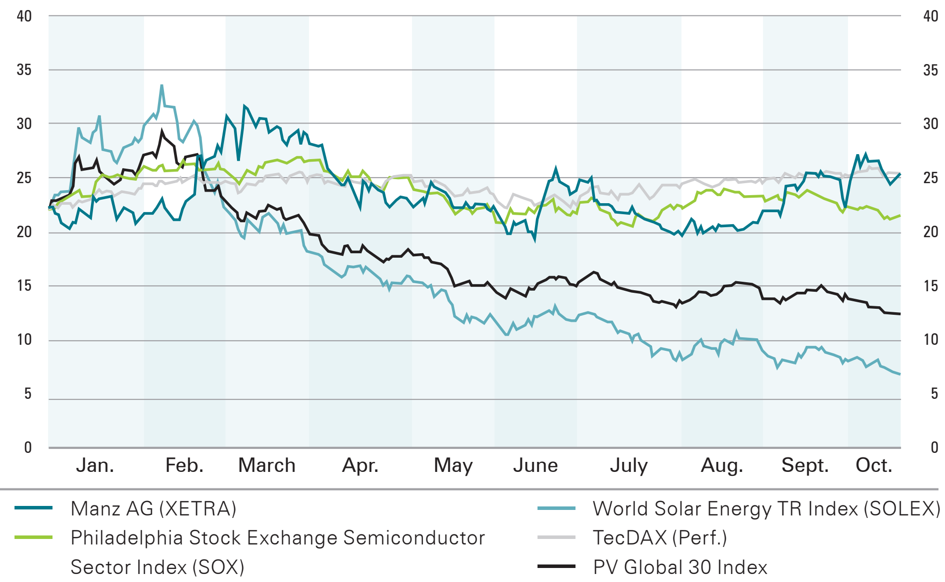
MANZ AG STOCK

OVERVIEW

After starting the year at 22.40 euros, the value of Manz's stock increased significantly in 2012 and reached 31.35 euros on March 8, 2012, the annual high so far this year. In the weeks that followed, the value of the stock declined significantly, reaching 19.71 euros, its lowest value in fiscal year 2012, on June 14, 2012. The stock price moved sideways over the course of the third quarter, fluctuating between 19.92 euros and 25.50 euros. On September 28, 2012, the stock closed at 24.03 euros. As a result, market capitalization at the end of the reporting period totaled 107.65 million euros.

After the value Manz's stock did not move in line with the solar industry indices PV Global 30 and Solex during the first two months of the year, the stock price traded significantly ahead of the two indices in the months that followed. Manz's stock then maintained this significant performance spread over the entire reporting period.

CHART SHOWING MANZ AG STOCK 2012 (XETRA, in EUR)

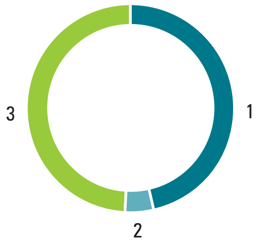


Manz's stock performed in a similar fashion to the Deutsche Börse's TecDAX technology index and the Philadelphia Stock Exchange's Semiconductor Index (SOX) during the reporting period. In this context, the stock slightly outperformed the two indices during February and March. In the following months, however, the stock's performance fell in line with the performance of the SOX, with the TecDAX slightly outperforming Manz's stock and maintaining this lead into September 2012. At the end of the reporting period, Manz's stock once again aligned with the performance of the TecDAX.

KEY DATA

German Securities Identification Number	A0JQ5U
International Securities Identification Number	DE000A0JQ5U3
Ticker Symbol	M5Z
Stock Market Segment	Regulated market (Prime Standard)
Type of Stock	Registered, common, no-par value bearer shares each with a proportionate value of 1.00 EUR of capital stock
Capital Stock	**4,480,054 euros**

SHAREHOLDER STRUCTURE



1	**46.43 %**	Dieter Manz
2	**4.53 %**	Ulrike Manz
3	**49.04 %**	Free Float

Currently at 49.04 %, Manz AG has a large number of shares in free float and has a wide shareholder base. At the end of the quarter on September 30, 2012, company founder and Chairman of the Managing Board Dieter Manz held 46.43 % of Manz's stock. In addition, Ulrike Manz holds an additional 4.53 % of the company's shares.

2012 FINANCIAL CALENDAR

Date	
November 12, 2012	Publication of 2012 Q3 financial report
November 13, 2012	2012 German Equity Forum

9,133

DAYS OF INNOVATION AND PROGRESS

Offering trendsetting solutions for the growth industries of tomorrow – today. As a supplier of integrated production lines for the manufacture of crystalline solar cells and thin-film solar modules, flat panel displays, and lithium-ion batteries, at Manz we keep this promise each and every day. With expertise, experience, and an intense focus on research and development, we cut our customers' production costs significantly and ensure that their products make it to the mass market more quickly. 25 years of passion for efficiency, 9,133 days of innovative spirit for breakthroughs in key technologies, intelligent concepts for sustainable energy generation, displays for global communication needs, and e-mobility – Manz stands for everything that provides tomorrow's quality of life today.


TOUCHSCREEN PANEL MARKET GROWTH
Units in Millions
1,600
1,400
1,200
600
400
200
0
167
291
494
665
888
1,108
1,350
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2008 2009 2010 2011 2012 2013 2014
Revenue in Millions US Dollars
12,000
10,000
8,000
6,000
4,000
2,000
0
1,493
2,723
4,575
6,088
7,745
8,806
9,650
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2008 2009 2010 2011 2012 2013 2014

GROUP INTERIM REPORT

BUSINESS REPORT

MARKET ENVIRONMENT AND COMPANY SITUATION

Market and Competitive Environment

Economic Environment

In the third quarter of 2012, the ongoing euro and sovereign debt crisis, fading dynamic economic growth in Asia, and the economic situation in the United States, which remains difficult, all had an impact on the global economy. This tendency was exacerbated by the price of oil, which increased significantly during the summer. After recording growth of 3.1 % and 2.4 % in the first and second quarters, respectively, global GDP growth will further decline in the third quarter which recently came to a close. The experts from the Ifo Institute are forecasting global growth of only 2.3 % for all of 2012, as well as 2.5 % for 2013.

The general economic situation in the euro zone remains tense. Although the financial markets acknowledged both the announcement by the European Central Bank (ECB) regarding the unlimited purchase of government bonds within the scope of the European Financial Stability Facility as well as the positive verdict by the German Federal Court of Justice regarding the legitimacy of German bailout funds, the euro zone's economy is still in recession. In the second quarter of 2012, overall economic output declined by 0.2 %. In this context, the crisis-stricken countries of Spain, Italy, Portugal, and Greece were hit the hardest. While internal economic demand in the euro zone has been declining since 2011, foreign trade has grown as a result of the euro's devaluation with respect to foreign currencies. Overall, the joint economic analysis under the direction of the Ifo Institute is also forecasting a further decline in economic output of 0.5 % for the second half of 2012. For 2013, the experts are forecasting growth of 0.1 % for the euro zone.

For Germany, the joint economic analysis is forecasting GDP growth of 0.8 % for fiscal year 2012, after the German economy grew by 3.0 % in 2011. The German economy's declining dynamic growth is the result of both the recession in Europe, particularly the euro zone, and the fading dynamic growth in the newly industrialized countries. Exports from German industry benefited from the weakness of the euro, growing by 2.3 % in the first half of 2012 despite the deteriorating global economic environment; as such, it grew ahead of global trade, which increased 2.1 % in the same period of time. However, the upward trend in the German labor market seems to have stopped for the time being. Despite this, the employment rate remains at a historically high level, with a positive effect on domestic demand. For 2013, the experts are forecasting GDP growth of 1.0 %. In this context, the economists are expecting to see the economy accelerate, particularly in the second half of 2013. This forecast is based on the assumptions that the crisis in the euro zone will gradually improve, and the governments of the United States and Japan will pass budgets which include the necessary fiscal adjustments.

For 2012, experts are forecasting growth of 7.6 % in the People's Republic of China. For 2013, they are forecasting growth of 8.1 %, since they expect the Chinese government to continue and broaden the expansive monetary and fiscal policy recently implemented until the economy significantly improves.

According to the VDMA (Verband Deutscher Maschinen- und Anlagenbauer, or the German engineering federation), the engineering sector in Germany began 2012 extremely strong. With an increase in production volume of 8.1 % in the first as well as 0.2 % in the second quarter, production volume in the first half of 2012 exceeded last year's figure by 4.0 %. As the year continued, the decline in new orders received during the first half of the year began to take its toll, and by August 2012, orders received had declined for the tenth month in a row. Overall the federation is expecting a total result for the year that is 2.0 % higher than last year's result. Under the assumption that the global economic situation will improve and that important foreign markets, especially the People's Republic of China, will release positive economic data, the VDMA is forecasting further growth of 2.0 % for 2013.

Display Division

According to estimates by the market research institute NPD DisplaySearch, global industry sales in the flat-panel display market will reach approximately 120.0 billion USD in 2012. Compared to last year (2011), which saw total annual revenues of around 111.0 billion USD, this is equal to an increase of approximately 8.0 %. The market researchers believe this increase is, on the one hand, due to the market shares acquired in the market for LCD televisions as a result of larger display formats as well as higher resolution and, on the other hand, the associated increase in sales price per unit. This positive growth in the FPD industry is being supported by the rapidly growing consumer demand for mobile devices such as smartphones, tablet PCs, and notebook computers. In this context, the market researchers emphasize that, as a result of production innovations, the industry has also continuously expanded the spectrum of applications for FPD technology – for example, their increasing use in navigation systems in the automotive industry.

According to NPD, the market for touch-panel displays, particularly in the notebook and all-in-one PC market, continues to grow. Due to increasing demand, revenue generated from the sale of touch panels is expected to total approximately 16.0 billion USD in 2012 following a total of 13.4 billion USD in 2011. The market researchers are forecasting that sales will double by 2018 to around 32 billion USD. In the opinion of NPD DisplaySearch, the market for smartphones, tablet PCs, and notebooks still offers significant growth potential, particularly as a result of the industry's newly developed technological features such as AMOLED (active-matrix organic light-emitting diode) technology.

Due to the recovering market for LCD televisions as well as the additional revenue potential from technological innovations in mobile devices, televisions, and new applications for FPD technology, the market researchers believe industry revenues in 2013 will continue to grow, despite not publishing any concrete estimates.

Solar Division

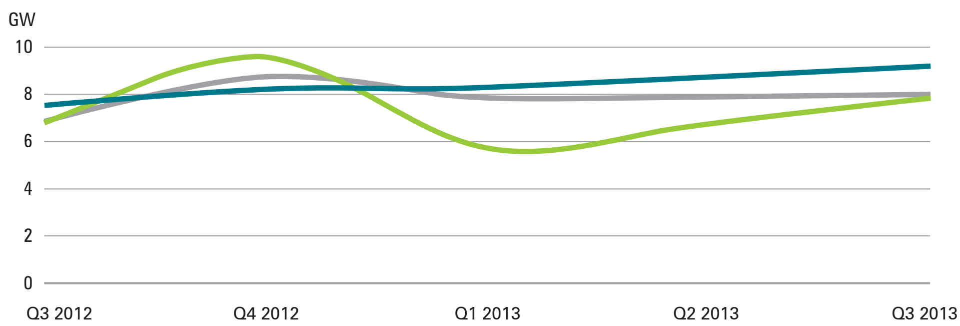
According to the market research institute NPD Solarbuzz, in 2012 the solar industry is currently in an advanced stage of maturation. As such, the selection process among PV manufacturers is ongoing, whereby not only the previous – mostly Western – manufacturers but now also Chinese second and third-tier manufacturers are exiting the market. According to Solarbuzz, in the field of PV production equipment orders valued at around 2.3 billion euros have either been postponed or canceled since the beginning of the year. As a result, orders in the third quarter of 2012 have declined by 30.0 % for the fourth time in a row. The experts believe the cause of this can be found in the PV manufacturer's postponed plans to expand production capacities.

Within the scope of the market's consolidation, the entire PV industry has taken on increasingly global traits. This has had drastic effects – particularly on the stability of the demand for solar cells and panels. While previously the market exhibited extreme volatility between the quarters, usually with a strong fourth quarter, demand has now grown overall and is less cyclic as a result of globalization. According to estimates by NPD Solarbuzz, this trend will also have a stabilizing effect on solar cell and panel prices and will allow manufacturers to draw up future economic plans and forecasts with increasing security. With declining planning risk caused by an extremely volatile market environment, new investments in production equipment will be easier to calculate and carry out. And due to the international competitive situation, in the future these investments will also be necessary to make solar cell and panel manufacturing even more efficient. According to NPD Solarbuzz, in the coming years major PV manufacturers in particular will place an emphasis on gaining additional market shares in order to utilize the resulting economies of scale to increase their own productivity.

Demand in the global solar market in the first half of 2012 totaled approximately 13 GW; for the second half of the year, the experts from NPD Solarbuzz are expecting newly installed capacity to reach approximately 16 GW. This is equal to growth of 25.0 % quarter over quarter. In the third quarter of 2012, solar cell and panel inventory on hand increased, while shipments in this period declined by 7.0 % year over year. The reason for this is the increased production volume in order to meet the traditionally high demand seen in the solar market in the fourth quarter. For all of 2012, leading manufacturers reduced their forecasts regarding annual shipments from their original level of 30.0 % down to around 15.0 %. For the fourth quarter they are estimating demand between 8.5 and 9.5 GW of newly installed capacity. As a result, the cumulative total capacity in 2012 is expected to total nearly 30 GW, an increase of 25.0 % year over year. According to Solarbuzz, for this forecast to hold true, a short-term increase in shipments to China and India will have to occur while demand in the European markets simultaneously picks up.

In 2013, the market research institute is expecting that supply and demand will stabilize as a result of ongoing market consolidation. According to Solarbuzz, PV manufacturers will only survive if they optimize their production processes and increase their productivity by making new investments. In this context, they expect that investments in production equipment in 2013 will total approximately 3.8 billion euros, however, or near the same level as in 2012. They do not expect to see an increase in investment volume before 2014.

GLOBAL PV MODULE PRODUCTION SHIPMENT AND DEMAND Q3 2012 – Q3 2013



Source: NPD Solarbuzz PV Supply Stabilization Reduces Pressure on ASP Declines in 2013

Production Demand Shipments

Battery Division

Electric transportation is a topic relevant to the future and is currently driving growth in the lithium-ion battery market. Even Germany's federal government has committed itself to supporting the development of electric vehicles in Germany along the entire value chain. In the current market preparation phase, the country plans to use subsidies totaling 17.0 billion euros to ramp up vehicle production and build the necessary infrastructure. Among other measures, during this time pilot applications will be carried out to test the process technology for mass producing lithium-ion batteries, and analyses will be undertaken to determine which demands will need to be made of a large-volume production scenario.

According to information from the German National Platform for Electric Mobility (NPE), 2011 was the first year in which a perceptible market trend toward electric vehicles was seen internationally – despite the fact that the absolute number of new electric vehicle purchases remained extremely low. For the current year (2012), Pike Research estimates that global electric vehicle sales will already top 257,000. According to a study by Roland Berger, by 2015 electric vehicles will account for 85.0 % of lithium-ion systems. The market research institute Pike Research puts the revenue potential of the market for lithium-ion batteries at more than 14.6 billion USD in 2017, after totaling 2.0 billion USD in 2011. At the same time, industry experts believe producers have the potential to cut costs by around one-third of current total costs by 2017 thanks to more efficient production techniques and declining lithium prices – for Manz AG as an innovative manufacturer of production equipment, this means enormous market potential for its own Battery division over the medium term.

In addition to electric vehicles, the experts at Germany's Association for Electrical, Electronic & Information Technologies (VDE) see lithium-ion batteries playing a crucial role in the storage of electricity generated from renewable energy sources. In order to balance out fluctuations in the supply of electricity from renewable energy sources like solar and wind power, a portion of the electricity can most effectively be stored for short periods of time in lithium-ion batteries. Overall, the VDE now already believes that lithium-ion batteries have an extremely good chance of becoming widely used. Their reasoning is based on the comparatively low value of investments required and, as a result, the short recovery periods, which means that this technology poses less of a risk to companies than alternative storage methods. In addition, power storage devices manufactured using lithium-ion batteries offer the ability to either actually or virtually combine smaller storage units into mass storage systems which can then be used for certain tasks within the power grid, such as acting as form of intermediate storage or supplying power during brief periods of peak demand.

Printed Circuit Board / OEM Reporting Segment

According to the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie e.V., or ZVEI for short), global revenues generated from the sale of printed circuit boards grew by approximately 7.9 % to 54.6 billion USD in the 2011 fiscal year. The experts from ZVEI primarily view growth in the Asia-Pacific region and Japan as the key drivers of this trend. In addition, the market for printed circuit boards in Europe grew by 7.0 %, from 5.9 billion USD to 6.4 billion USD. According to ZVEI calculations, the German market could grow by around 5.4 % to approximately 1.4 billion euros. Both automotive electronics and industrial electronics are two fields particularly responsible for this growth. The Custer Consulting Group is once again expecting global market growth of 4.0 % in 2012.

Employees

Qualified and motivated employees form the foundation of our company's long-term success. As of September 30, 2012, a total of 1,997 employees (previous year: 1,954) worked for the company both in Germany and abroad, 413 of which were employed at our company's headquarters in Reutlingen (previous year: 449). Manz's opening of a new and expanded production facility in Suzhou, China – which currently has around 471 employees – is responsible for this slight increase.

Based on the number of employees, the largest subsidiary in the Group is Manz China Suzhou Ltd. in China, with 471 employees, followed by Manz Taiwan Ltd. in Taiwan, with 420 employees, and Manz Automation Slovakia s.r.o, with 256 employees.

Research and Development

Our Research and Development department is critical to Manz AG's success as a high-tech engineering firm. This is why Manz has made the strategic decision to continuously invest in new development activities – both now and in the future. In order to further strengthen our position as a company driving innovation in growth industries, in the first three quarters of 2012 Manz continued the course previously set and further expanded its range of technologies and products. With over 500 engineers, technicians, and scientists at its development facilities, Manz AG focused on making cross-industry advancements to its own technological core competencies, particularly in the fields of vacuum coating (Karlstein, Germany), laser and screen printing (Reutlingen, Germany), CIGS technology (Schwäbisch Hall, Germany), wet-chemical processes (Taiwan), and process control software (Reutlingen and Israel). Manz AG's goal is to make advancements to our technologies for fields of application in a variety of industries by bringing together our own cross-industry experiences and in utilizing synergies and economies of scale.

With the launch of the Vertical Coating System (VCS) 1200 for the front- and back-side passivation of crystalline solar cells at the EU PVSEC in Frankfurt in September 2012, Manz now offers the industry an innovative vacuum-coating process that stands out thanks to vertical handling and coating of solar cells free of shadowing effects. In this context, passivation is achieved through plasma-enhanced chemical vapor deposition (PECVD). With this piece of equipment, Manz both increases the efficiency of monocrystalline and polycrystalline solar cells as well as the throughput rate of the entire production process and, as a result, helps cut manufacturers' production costs. The system is also designed so that it can be easily integrated into existing production lines, significantly improving their profitability.

Manz already succeeded in increasing the efficiency of CIGS thin-film solar panels to a never-before-seen world record for total panel efficiency of 14.6 % in early September, which means panels can be manufactured on the Manz CIGSfab – the integrated production line for CIGS thin-film solar panels – which in the future will generate power that, depending on location, will cost between 0.04 euros (Spain) and 0.08 euros (Germany) per kilowatt hour. As a result, the solar power generated by these panels costs about the same as power from fossil fuel sources and significantly less than power generated by offshore wind parks. The production costs for thin-film solar panels manufactured on a line with an annual capacity of 200 MW currently stand at about 0.55 USD per Wp. And this cost falls to below 0.40 USD per Wp on production lines with a capacity in the gigawatt range.

Manz AG's range of products within the thin-film process chain has been expanded to include an innovative, vertical vacuum system for coating substrates. Manz also presented this system for the first time at the EU PVSEC in Frankfurt. This is an in-line sputter system (ISS) that operates based on the principle of physical vapor deposition (PVD) and makes high throughput rates with a low level of maintenance possible. Thanks to its modular design, the system can also be integrated into existing production lines and help PV manufacturers further cut production costs. Manz AG also believes that sputter systems also have additional sales potential outside the solar industry. For example, these systems are also used in other high-tech sectors such as the manufacturing of touch panels and OLED displays.

In the reporting period, Manz AG had a total ratio of research costs to sales of 18.0 % (previous year: 9.2 %). If one only considers capitalized development costs, the ratio of research costs to sales totals 9.3 % (previous year: 5.1 %). In the future, Manz will continue down this path in order to further strengthen our position as the technological market leader.

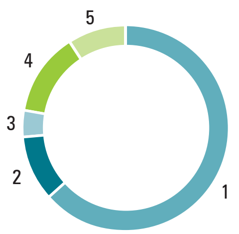
ANALYSIS OF THE FINANCIAL SITUATION

Earnings Position

In the first nine months of the 2012 fiscal year, Manz AG's earnings position was significantly affected by photovoltaic manufacturers' lack of willingness to invest in new production equipment and the resulting weak order situation in the Solar division. In this context, the decline in revenues could only be partially compensated by the Display division, which continues to grow. As a result, the value of orders on the books on September 30, 2012 declined to around 34.2 million euros (previous year: 80.0 million euros); the cumulative total of all new orders received in the first nine months of 2012 totaled 134.8 million euros. Total revenues in the reporting period declined by 23.1 % to 147.7 million euros after totaling 192.0 million euros the same reporting period in 2011.

The largest share of revenues in the first three quarters of 2012 was generated by the Display division, with 94.0 million euros, equal to 63.6 % of total revenues (previous year: 77.7 million euros, equal to 40.5 %). This is primarily the result of the continued high demand for touch-screen displays for mobile devices such as smartphones and tablet PCs. The Solar division contributed 14.9 million euros, equal to 10.1 % of the Manz AG's total revenues (previous year: 57.9 million euros, equal to 30.2 %). In this context, the TFS (thin-film solar) panel segment's share grew to 13.4 million euros, equal to around 89.6 % of the Solar division's revenues, after totaling 19.7 million euros, equal to 33.9 %, in the same reporting period in 2011. In contrast, revenues from the sale of system solutions for manufacturing crystalline solar cells declined significantly in the reporting period to 1.5 million euros, which is equal to a share of 10.4 % (previous year: 38.3 million euros, equal to 66.1 %). The PCB/OEM reporting segment was responsible for a relevant share of revenues, generating 19.4 million euros, equal to 13.1 % (previous year: 36.2 million euros, equal to 18.8 %). The Battery division contributed around 6.2 million euros to the Group's total revenues and increased its share to 4.2 % (previous year: 6.4 million euros, equal to 3.3 %)*. In the first nine months of 2012, the Others reporting segment generated 13.2 million euros, equal to 9.0 % of total revenues, after generating 13.7 million euros, equal to 7.2 %, in the reporting period last year.*

REVENUES BY BUSINESS UNIT JANUARY 1 TO SEPTEMBER 30, 2012



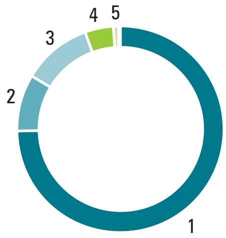
1	**63.6 %**	Display
2	**10.1 %**	Solar
3	**4.2 %**	Battery
4	**13.1 %**	PCB/OEM
5	**9.0 %**	Others

Revenues generated by Manz AG in the reporting period were distributed regionally as

*For purposes of comparison, last year's figures have been adjusted due to the company restructuring its divisions at the beginning of the second quarter of 2012.

follows: At 111.0 million euros, equal to 75.2 %, Manz generated the lion's share of revenues in Asia (previous year: 139.0 million euros, equal to 72.4 %). In Germany, the company generated 12.9 million euros, equal to 8.7 % of total revenues (previous year: 20.0 million euros, equal to 10.4 %). Approximately 16.1 million euros, equal to 10.9 % of total revenues generated in the reporting period, was generated in the rest of Europe, after the company generated 27.5 million euros, or 14.3 %, in the same period last year. Revenues generated in the United States grew year over year, with Manz generating 6.4 million euros in the reporting period, equal to a 4.3 % share of total revenues (previous year: 5.3 million euros, equal to 2.8 %). In all other regions of the world, Manz generated revenues of 1.3 million euros, equal to 0.9 % (previous year: 0.3 million euros, equal to 0.1 %).

REVENUES BY REGION JANUARY 1 TO SEPTEMBER 30, 2012



1	**75.2 %**	Asia
2	**8.7 %**	Germany
3	**10.9 %**	Rest of Europe
4	**4.3 %**	USA
5	**0.9 %**	Other regions

Manz AG's total operating revenues declined as a result of low sales revenues by 28.0 %, totaling 157.0 million euros in the reporting period (previous year: 217.9 million euros). The value of the company's inventory of finished goods declined even more significantly by –4.5 million euros in comparison to the same reporting period last year (previous year: 16.2 million euros). This decline was the result of systematically reducing Manz AG's inventory on hand and was intensified by the low number of new orders received in the first nine months of 2012 compared to the same period last year. In addition, the value of Manz AG's internally produced and capitalized assets increased significantly in the reporting period, totaling 13.8 million euros (previous year: 9.8 million euros). This increase is due to the company acquiring the CIGS innovation line in Schwäbisch Hall and the associated increase in internally produced and capitalized assets for the CIGSfab.

Other operating income in the reporting period totaled 9.4 million euros, a considerable increase after totaling 3.5 million euros in the same period last year. This is the result of benefits Manz AG is receiving from Würth Solar as part of the agreement to acquire the location in Schwäbisch Hall. Cost of materials declined significantly to 75.3 million euros (previous year: 139.7 million euros), while the cost of materials ratio also improved significantly to 48.0 % (previous year: 64.1 %). Despite low revenues, the company's Rohergebnis (a German accounting term similar to gross profit or loss that includes total revenues, changes in inventory of finished and unfinished goods, cost of materials, and other operating income) increased considerably year over year, from 81.7 million euros in the same period last year to 91.0 million euros in the current reporting period.

Personnel expenses increased year over year by 5.7 million euros to 53.6 million euros (previous year: 47.9 million euros) due to additional personnel costs incurred at the acquired location in Schwäbisch Hall as well as from hiring additional highly qualified employees across the Group; the ratio of personnel costs to revenues totaled 34.2 % (previous year: 22.0 %). Due to scheduled write-downs on property, plant, and equipment as well as the increase in capitalized development costs in conjunction with the CIGSfab, amortizations, depreciations, and impairments in the reporting period also increased year over year to 12.1 million euros (previous year: 7.1 million euros). Other operating expenses increased to 28.7 million euros (previous year: 23.0 million euros) and are predominantly the result of acquiring the innovation line from Würth Solar and increased sales costs. Due to the decline in revenue, the overall result was an operating loss (EBIT) of –3.5 million euros in the reporting period (previous year: 3.8 million euros in earnings).

In the Display division, Manz was able to significantly increase EBIT to 12.2 million euros after posting an EBIT of 6.3 million euros in the same period last year. In contrast, in the Solar division EBIT declined to –17.7 million euros in the first nine months of the current fiscal year (previous year: –6.1 million euros). Earnings before interest and taxes in the Battery division grew to 0.9 million euros after totaling 0.7 million euros in the same period last year. The PCB/OEM reporting segment posted an operating loss of –310,000 euros (previous year: 1.4 million euros). And our Others division posted an EBIT of 1.4 million euros after generating earnings of 1.5 million euros last year.

The interest payments resulting from interest-bearing financial liabilities exceeded interest earning in the reporting period. This resulted in a financial loss of –1.1 million euros in the 2012 reporting period (previous year: loss of –0.5 million euros). As a result, the company generated a pretax loss of –4.6 million euros after generating earnings before taxes (EBT) of 3.2 million euros in the same period last year.

After deducting taxes on income and earnings, Manz AG posted a consolidated total loss of –7.3 million euros in the first nine months of 2012 (previous year: earnings of 2.7 million euros). Based on an average of 4,480,054 shares outstanding, this corresponds to a loss per share of –1.65 euros (previous year: earnings per share of 0.56 euros).

Asset Position

The value of total assets at the end of the reporting period on September 30, 2012, increased marginally from their value on December 31, 2011, from 318.2 million euros to 318.5 million euros. On the liabilities side, Manz AG's equity declined due to the after-tax loss and the simultaneous increase in reserves for currency translations to 184.4 million euros (December 31, 2011: 189.3 million euros). This resulted in an equity ratio at the end of the reporting period of 57.9 %, after totaling 59.5 % on December 31, 2011.

Noncurrent liabilities increased significantly from 12.0 million euros to 34.0 million euros, primarily as a result of the increase in noncurrent financial liabilities to 26.0 million euros (December 31, 2011: 4.9 million euros). The root cause of this increase is, in particular, a loan taken out to finance the building at Manz AG's new production site in Suzhou, China.

Current liabilities declined at the end of the reporting period to a total of 100.1 million euros, after totaling 116.9 million euros at the end of the previous 2011 fiscal year. This decline is primarily due to a decrease in accounts payable. These declined to 30.4 million euros as a result of the low number of orders received compared to last year (December 31, 2011: 46.3 million euros). Furthermore, current financial liabilities declined to 42.9 million euros at the end of the reporting period (December 31, 2011: 45.4 million euros) and consist of lines of credit extended by banks which were drawn upon to finance working capital as well as tangible fixed assets. With a value of 10.0 million euros, advance payments received had a similar value at the end of the reporting period as they did on December 31, 2011 (10.4 million euros). Other current provisions totaled 4.7 million euros on September 30, 2012, after totaling 3.2 million euros at the end of the 2011 fiscal year. Manz's remaining liabilities increased at the end of the first three quarters of 2012 to 9.5 million euros (December 31, 2011: 8.0 million euros). This figure particularly comprises human resource liabilities and other tax liabilities (not including taxes on income and earnings).

On the asset side, the value of noncurrent fixed assets increased from 130.0 million euros to 147.2 million euros, which is related to an increase in the value of intangible assets as a result of capitalized development costs to 97.7 million euros (December 31, 2011: 95.3 million euros). In addition, the value of tangible fixed assets increased significantly to a total of 47.1 million euros on September 30, 2012, after totaling 31.4 million euros at the end of the previous 2011 fiscal year. The increase is primarily due to the new production facility in Suzhou, China, as well as the reclassification of the newly developed CIGS coevaporation system as a tangible fixed asset.

In contrast, the value of current assets decreased at the end of the reporting period to 171.3 million euros (December 31, 2011: 188.2 million euros). In this context, the value of inventory on hand on September 30, 2012, decreased to 63.4 million euros (December 31, 2011: 66.4 million euros); this change is the result of reclassifying the CIGS coevaporation system as a tangible fixed asset. Accounts receivable also declined at the end of the reporting period significantly, with a value of 79.1 million euros (December 31, 2011: 84.2 million euros). This is due to both the decline of operative activities as well as the payment of outstanding invoices by customers of our Asian subsidiaries. Other current receivables, which primarily encompass income tax receivables, increased at the end of the reporting period to 4.3 million euros, after totaling 3.9 million euros on December 31, 2011. In this context, the value of liquid assets declined to 24.3 million euros (December 31, 2011: 33.3 million euros) and yet despite the operating loss remains at a similar level as at the end of the first two quarters of 2012 (June 30, 2012: 25.5 million euros). Overall, this decrease in comparison to the end of the 2011 fiscal year is due to payments for investments in development activities and the new location in China.

Liquidity Position

Our company's cash flow in the narrower sense (net profit in the period plus write-downs on fixed assets as well as an increase/decrease in long-term pension provisions and other income and expenses affecting cash flow) in the first three quarters of 2012 totaled 6.6 million euros (same period last year: 8.1 million euros). This is primarily the result of depreciations on intangible assets totaling around 12.1 million euros while at the same time recording a consolidated loss of 7.3 million euros. Operating cash flow during the reporting period totaled 0.6 million euros (previous year: –15.3 million euros). This is primarily the result of the significant reduction of inventory on hand as well as the reduced level of accounts receivable compared to the same period last year totaling 5.9 million euros (previous year: 29.7 million euros). At the same time, accounts payable in the reporting period also decreased significantly, which is the primary cause of the cash outflow of 7.9 million euros compared to September 30, 2011.

After posting a cash flow from investment activities of 17.6 million euros in the same period last year, the cash outflow in the first nine months of 2012 totaled 28.7 million euros. This was primarily the result of investments in intangible assets and fixed assets, namely in development activities for CIGS technology as well as the production facility in Suzhou, China.

In contrast, cash flow from financing activities decreased significantly to 18.4 million euros after totaling 27.5 million euros in the same period last year. This figure reflects the decreased use of short-term overdraft credit facilities in the reporting period as well as the increase in noncurrent credit facilities compared to the same period last year. Taking changes in exchange rates into account, Manz AG held liquid assets on September 30, 2012, with a value of 24.3 million euros (September 30, 2011: 32.2 million euros).

EVENTS AFTER THE BALANCE SHEET DATE

No events that could have had a significant impact on our financial situation took place after the reporting date.

REPORT ON OPPORTUNITIES AND RISKS

There have been no significant changes to the opportunities and risks presented in the 2011 Annual Report.

FORECAST REPORT

OUTLOOK

In the following forecast report, we are going to discuss the expected future development of Manz AG and our business environment for the current fiscal year. It must be noted, however, that current economic conditions cause uncertainty to arise when discussing future trends, since the assumptions this forecast is based on could quickly become invalid. The conditions of the current business environment mean both opportunities and risks when it comes to the Manz Group's development. In addition to these general economic conditions, developments in the display, photovoltaic, and lithium-ion battery submarkets also play a decisive role in Manz AG's further operative performance.

In the current (2012) fiscal year, the ongoing euro crisis had an increasing effect on our customer's investment activities. This is not only perceptible in Germany and Europe but is also affecting our customers in Asia and the United States. Due to declining business prospects, many companies postponed investment decisions in the third quarter of 2012, particularly in the solar industry. Here new orders were almost completely nonexistent, and this is reflected in our figures for the third quarter of 2012. We first expect to see a significant recovery in all our divisions in the coming year.

After receiving an extremely healthy number of new orders in the first three months of 2012 in the Display division, in the second and third quarters the division also suffered from a significantly lower number of orders due to postponed new and follow-up contracts. Due to the intact positive trends in the demand for smartphones, tablet PCs, and touch panels as well as LCD television sales figures that are also increasing once again, we believe the Display division will once again achieve year-over-year revenue growth for the entire 2012 fiscal year. In addition, the preliminary signs for the coming fiscal year are also positive.

In contrast, as a result of global market development, the Solar division continues to face a difficult and precarious situation. The balance between supply and demand for solar cells and panels forecast by industry experts for the second half of 2012 has not yet been reached; as such, in the current fourth quarter of 2012, we do not expect to see major new investments by photovoltaic manufacturers to expand production capacity. In the field of CIGS thin-film technology, in recent months we have held intense and promising sales talks with potential customers with the goal of closing the first deal with secured financing for the sale of a CIGSfab this year. The potential customers' extremely challenging sales and financing situation has prevented us from successfully closing a deal this year, however. As a result, we do not expect to sell our first CIGSfab until 2013, when a new investment cycle will begin. Nevertheless, we will continue driving development in this field and investing in this technology that is promising over the medium and long term. We expect to see a significant decline in revenues in the Solar division for the entire 2012 fiscal year and, as a result, a year-over-year decline in earnings that will weigh heavily on our annual consolidated result.

Moreover, we are continuing to see a positive trend in the demand for systems and equipment for the production of lithium-ion batteries. Back in the first quarter of 2012, Manz AG acquired new orders for production systems for manufacturing lithium-ion batteries with a value of around 8.0 million euros. Thanks to a fourth quarter in 2012 that is expected to be strong, we are confident that we will be able to significantly increase revenues year-over-year in 2012.

After generating lower revenues during the reporting period in the Printed Circuit Board/ OEM segment compared to the same period last year, we now expect a decline in revenues for the total year in this segment as well.

The dampened expectations at the end of the second quarter of 2012 that we would not meet our original revenue and earnings targets were confirmed in the third quarter of 2012. Unless the company rapidly receives new orders in the current fiscal year, the prospect of reaching these targets in the current fiscal year is becoming increasingly unlikely, since the economic and industry-specific uncertainties are proving to be a constantly growing challenge.

With revenues of 147.7 million euros in the first three quarters and orders on the books with a value of 34.2 million euros as of September 30, 2012, at the present time we do not expect to reach the 240.5 million euros in revenues generated last year. We are currently in the advanced stages of talks with one of the Display division's major customers regarding new orders with a value in the eight-figure range that would be reflected in this year's revenues and earnings. We will only be able to issue an exact forecast of revenues and earnings in the coming weeks as a result of not yet knowing the scope and value of these orders. Due to our excellent position in the Display, Solar, and Battery segments, we are nonetheless confident that with an increasing willingness to make investments in the coming year at the latest we will once again achieve revenue and earnings increases. In this context, the major order we received in early November from a new customer for wet chemical processing equipment for the production of components for touch panel applications, such as smartphones or tablet PCs, have strengthened this belief. This order has a value of approximately 20.8 million euros and will for the most part be reflected in revenues and earnings in the coming fiscal year.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. These statements are based on the current assumptions and forecasts of Manz AG's Managing Board. Such statements are subject to both risks and uncertainties. These and other factors can cause our company's actual results, financial situation, growth, and performance to significantly deviate from the opinions stated in this report. Our company assumes no obligation to update these forward-looking statements or adapt them to future events or developments.

3

PILLARS OF SUSTAINABLE SUCCESS

At Manz, our focus is on three strategic core markets: solar, flat panel displays, and li-ion batteries. This diversification gives us the greatest level of flexibility possible in a globalized world where competition is becoming increasingly fierce. Conditions are changing more unexpectedly, leaving companies with less time to adjust. But thanks to our strategy, we are well-prepared to meet any changes – because we do not view our divisions as units that operate independently, but instead we strive for the greatest synergies possible throughout our processes.
Our lithium-ion battery division is an excellent example of how well this flexible strategy works – we are now considered a company that sets the pace for groundbreaking production technologies in this field.

CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF INCOME

(in EUR tsd.)	Jan. 1 to Sept. 30, 2012	Jan. 1 to Sept. 30, 2011	July 1 to Sept. 30, 2012	July 1 to Sept. 30, 2011
Revenues	147,705	191,970	38,526	62,177
Changes in inventory	–4,498	16,205	876	10,828
Internally produced and capitalized assets	13,778	9,770	4,119	2,664
Total operating revenues	**156,985**	**217,945**	**43,521**	**75,669**
Other operating income	9,369	3,504	3,404	1,192
Material expenditures	–75,342	–139,713	–19,944	–49,844
Gross margin	**91,012**	**81,736**	**26,981**	**27,017**
Personnel expenses	–53,649	–47,880	–17,836	–15,805
Amortization/depreciation	–12,120	–7,089	–4,241	–2,326
Other operating expenses	–28,741	–22,981	–9,454	–8,638
Earnings before interest and taxes (EBIT)	**–3,498**	**3,786**	**–4,550**	**248**
Financial income	122	189	37	83
Financial expenses	–1,196	–732	–487	–296
Earnings before taxes (EBT)	**–4,572**	**3,243**	**–5,000**	**35**
Taxes on income	–2,770	–514	–823	–181
Comprehensive income	**–7,342**	**2,729**	**–5,823**	**–146**
Income allocated to minority interests	41	238	15	85
Income allocated to Manz AG shareholders	–7,383	2,491	–5,838	–231
Weighted average number of shares	4,480,054	4,480,054	4,480,054	4,480,054
Earnings per share (diluted = undiluted) in euros	–1.65	0.56	–1.30	–0.05

CONSOLIDATED INCOME STATEMENT FOR TOTAL PERIOD

(in EUR tsd.)	Jan. 1 to Sept. 30, 2012	Jan. 1 to Sept. 30, 2011	July 1 to Sept. 30, 2012	July 1 to Sept. 30, 2011
Comprehensive income	**–7,342**	**2,729**	**–5,823**	**–146**
Other comprehensive income				
Difference as a result of currency translation	2,316	–3,253	–798	753
Changes to the fair of value of cash flow hedges	161	0	350	0
Tax effects from other comprehensive income	–48	0	–105	0
	2,429	**–3,253**	**–553**	**753**
Total comprehensive income for the period	**–4,913**	**–524**	**–6,376**	**607**
Income allocated to minority interests	109	–90	2	–148
Income allocated to Manz AG shareholders	–5,022	–434	–6,378	755

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	**Sept. 30, 2012**	**Dec. 31, 2011**
Non-current assets		
Intangible assets	97,742	95,325
Property, plant, and equipment	47,052	31,380
Deferred taxes	1,587	2,438
Other non-current assets	821	864
	147,202	**130,007**
Current assets		
Inventories	63,372	66,393
Accounts receivable	79,060	84,175
Income tax receivables	248	282
Derivative financial instruments	59	109
Other current receivables	4,331	3,924
Liquid assets	24,268	33,288
	171,338	**188,171**
Total assets	**318,540**	**318,178**

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)	**Sept. 30, 2012**	**Dec. 31, 2011**
Equity		
Capital stock	4,480	4,480
Capital reserves	144,057	144,006
Revenue reserves	21,569	28,835
Currency translation	12,491	10,243
Manz AG shareholders	182,597	187,564
Minority interests	1,826	1,754
	184,423	**189,318**
Non-current liabilities		
Non-current financial liabilites	26,008	4,934
Non-current deferred subsidies	293	338
Financial liabilities from leases	68	70
Pension provisions	3,983	3,903
Other non-current provisions	2,501	1,958
Deferred taxes	1,132	803
	33,985	**12,006**
Current liabilities		
Current financial liabilities	42,906	45,399
Accounts payable and payments	30,350	46,335
Advance payments received	9,965	10,434
Income tax liabilities	2,413	3,124
Other current provisions	4,722	3,236
Derivative financial instruments	224	288
Other liabilities	9,541	7,996
Financial liabilities from leases	11	42
	100,132	**116,854**
Total shareholders' equity and liabilities	**318,540**	**318,178**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	Jan. 1 to Sept. 30, 2012	Jan. 1 to Sept. 30, 2011
Cash flow from operations		
Comprehensive income	–7,342	2,730
Amortization/depreciation of non-current assets	12,120	7,089
Increase (+)/decrease (–) in pension provisions and other non-current provisions	623	–125
Other non-cash income (–) and expenses (+), particularly deferred taxes	1,229	–1,559
Cash flow	**6,630**	**8,135**
Gains (–)/losses (+) from disposal of assets	3	–165
Increase (–)/decrease (+) in inventories, account receivable, and other assets	5,850	–29,654
Increase (+)/decrease (–) in trade payables and other liabilities	–11,919	6,382
	564	**–15,302**
Cash flow from investments		
Incoming payments from the sale of non-current assets	156	280
Payments for investments in intangible assets and property, plant, and equipment	–29,183	–17,880
Payments for the acquisition of consolidated companies, minus liquid assets received	286	0
	–28,741	**–17,600**
Cash flow from financing activities		
Purchase of own shares	–42	0
Payments toward the repayment of finance leases agreements	–5	–5
Deposits from drawing on non-current loans	21,017	4,584
Payments toward the repayment of non-current loans	–92	–415
Change in overdraft loans	–2,493	23,307
	18,385	**27,471**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal 1–3)	–9,792	–5,431
Net change in cash and cash equivalents due to currency translation	772	–1,301
Cash and cash equivalents on Jan. 1	33,288	38,902
Cash and cash equivalents on September 30	**24,268**	**32,170**
Composition of cash and cash equivalents		
Liquid assets	24,268	32,170
Cash and cash equivalents on September 30	**24,268**	**32,170**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of September 30, 2012

(in EUR tsd.)	Capital stock	Capital reserves	Treasury shares	Revenue reserves			Currency translation	Manz AG shareholders	Minority shares	Total equity
				Accummulated earnings	Market value of securities	Cashflow hedges				
As of Jan. 1, 2011	**4,480**	**144,213**	**0**	**28,182**	**0**	**0**	**9,577**	**186,452**	**1,476**	**187,928**
Net profit (loss) for the period				2,491	0	0	–2,925	–434	–90	–524
Share-based compensation		–120						–120		–120
Changes in minority interests as a result of increased interests				113				113	117	230
As of Sept. 30, 2011	**4,480**	**144,093**	**0**	**30,786**	**0**	**0**	**6,652**	**186,011**	**1,503**	**187,514**
As of Jan. 1, 2012	**4,480**	**144,006**	**0**	**29,050**	**0**	**–215**	**10,243**	**187,564**	**1,754**	**189,318**
Net profit (loss) for the period				–7,383	0	113	2,248	–5,022	109	–4,913
Purchase of own shares			–42					–42		–42
Use of own shares			42					42		42
Share-based compensation		51		0				51		51
Changes in minority interests as a result of increased interests				4				4	–37	–33
As of Sept. 30, 2012	**4,480**	**144,057**	**0**	**21,671**	**0**	**–102**	**12,491**	**182,597**	**1,826**	**184,423**

SEGMENT REPORTING FOR DIVISIONS

as of September 30, 2012

(in EUR tsd.)	Revenues with third parties	Revenues with other segments	EBIT	Segment assets	Segment liabilities	**Net assets**	Additions to assets	Amortization/ depreciation	Employees (annual average)
Solar									
Q1–Q3/2011	57,911		–6,088	140,627	10,480	**130,147**	14,279	2,803	492
Q1–Q3/2012	14,906		–17,697	137,319	19,618	**117,701**	20,415	6,734	387
Display									
Q1–Q3/2011	77,697		6,292	71,807	40,892	**30,915**	547	1,157	431
Q1–Q3/2012	93,993		12,191	86,049	15,505	**70,544**	5,182	1,453	598
Battery*									
Q1–Q3/2011	6,419		740	8,025	2,148	**5,877**	719	313	37
Q1–Q3/2012	6,204		914	10,467	2,350	**8,117**	726	462	49
PCB / OEM									
Q1–Q3/2011	36,195		1,389	33,807	6,262	**27,545**	592	1,150	471
Q1–Q3/2012	19,377		–310	28,277	3,406	**24,871**	1,077	1,158	432
Others*									
Q1–Q3/2011	13,748	9,198	1,453	9,772	10,411	**–639**	336	331	97
Q1–Q3/2012	13,225	7,225	1,404	12,128	9,954	**2,174**	504	502	107
Central functions/other									
Q1–Q3/2011	0			61,025	67,356	**–6,331**	1,407	1,335	337
Q1–Q3/2012	0			44,300	83,284	**–38,984**	1,279	1,811	350
Consolidation									
Q1–Q3/2011		–9,198							
Q1–Q3/2012		–7,225							
Group									
Q1–Q3/2011	191,970	0	3,786	325,063	137,549	**187,514**	17,880	7,089	1,865
Q1–Q3/2012	147,705	0	–3,498	318,540	134,117	**184,423**	29,183	12,120	1,923

*For purposes of comparison, last year's figures have been adjusted due to the company restructuring its divisions at the beginning of the second quarter of 2012.

SEGMENT REPORTING FOR REGIONS

as of September 30, 2012

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
Germany		
Q1–Q3/2011	19,964	69,565
Q1–Q3/2012	12,916	82,560
Rest of Europe		
Q1–Q3/2011	27,460	12,717
Q1–Q3/2012	16,077	11,729
Asia		
Q1–Q3/2011	138,954	38,911
Q1–Q3/2012	111,018	49,433
USA		
Q1–Q3/2011	5,321	103
Q1–Q3/2012	6,426	84
Other Regions		
Q1–Q3/2011	271	1,814
Q1–Q3/2012	1,268	1,809
Group		
Q1–Q3/2011	191,970	123,110
Q1–Q3/2012	147,705	145,615

NOTES

BASIC ACCOUNTING PRINCIPLES

The current consolidated interim financial statements for the period ending September 30, 2012, have been prepared in accordance with the International Financial Reporting Standards (IFRS) mandatory in the EU on the reporting date. In addition, the interpretations (IFRIC/SIC) to this effect were also observed. Standards and interpretations which have not yet become effective were not applied.

The accounting and valuation methods used in the consolidated interim financial statements for the period ending September 30, 2012, correspond to the same methods used for the consolidated financial statements for the 2011 fiscal year.

Consistent with IAS 34, a condensed version of Manz AG's consolidated financial statements has been selected for the period ending September 30, 2012, compared to the consolidated financial statements for the fiscal year ending December 31, 2011.

The consolidated interim financial statements were prepared in euros. Unless otherwise stated, all amounts are shown in thousands of euros.

All important business transactions and events in the reporting period were reported on in the interim management report.

EXCHANGE RATES OF MOST IMPORTANT CURRENCIES

		Exchange rate at the End of the Period:		Average Rate During:	
(in EUR)		Sept. 30, 2012	December 31, 2011	Jan. 1 to Sept. 30, 2012	Jan. 1 to Sept. 30, 2011
USA	USD	1.2860	1.2950	1.2824	1.4075
Taiwan	TWD	37.9570	39.4288	38.2205	41.0414
Hong-Kong	HKD	9.9741	10.0612	9.9554	10.9657
China	CNY	8.1458	8.2424	8.1141	9.1558
Hungary	HUF	286.3500	312.7680	291.8884	271.8252

BASIS OF CONSOLIDATION

Manz AG's consolidated financial statements include all the companies for which Manz AG can either directly or indirectly determine said company's financial and operative policy ("controlling relationship"). In addition to Manz AG, the group of consolidated companies includes the following subsidiaries:

FULLY CONSOLIDATED COMPANIES

		Interest in %
Manz Tübingen GmbH	Tübingen, Germany	**100.0 %**
Manz Coating GmbH	Reutlingen, Germany	**100.0 %**
Manz CIGS Technology GmbH	Schwäbisch Hall, Germany	**100.0 %**
Manz USA Inc.	North Kingstown, USA	**100.0 %**
Manz Hungary Kft.	Debrecen, Hungary	**100.0 %**
MVG Hungary Kft.	Debrecen, Hungary	**100.0 %**
Manz Slovakia s.r.o.	Nové Mesto nad Váhom, Slovakia	**100.0 %**
Manz Israel (T.A.) Ltd.	Petah Tikva, Israel	**100.0 %**
Manz Asia Ltd.	Hong Kong, China	**100.0 %**
Manz Chungli Ltd. [1]	Zhongli City, Taiwan	**100.0 %**
Manz China Shanghai Ltd. [1]	Shanghai, China	**100.0 %**
Manz China WuZhong Co. Ltd. [1]	Suzhou, China	**100.0 %**
Manz China Suzhou Ltd. [1]	Suzhou, China	**100.0 %**
Manz India Private Ltd. [1]	New Delhi, India	**75.0 %**
Manz Taiwan Ltd. [1]	Zhongli City, Taiwan	**97.2 %**
Manz (B.V.I.) Ltd. [2]	Road Town, British Virgin Islands	**97.2 %**
Intech Machines (B.V.I.) Co. Ltd [2]	Road Town, British Virgin Islands	**97.2 %**
Intech Machines (Shenzhen) Co. Ltd [3]	Shenzhen, China	**97.2 %**

1) via Manz Asia Ltd.
2) via Manz Taiwan Ltd.
3) via Intech Machines (B.V.I.) Co. Ltd.

CHANGES TO THE BASIS OF CONSOLIDATION IN FISCAL YEAR 2012

Manz CIGS Technology GmbH

Effective January 1, 2012, Manz AG acquired a 100.0 % stake in CIS Technology GmbH. This company owns the licenses, expertise, and a production line for the manufacture of CIGS thin-film solar panels (CIGSfab). As a result of this acquisition, the licensing and partnership agreement Manz entered into with Würth Solar GmbH & Co. KG in July 2010 was annulled. All of the services set forth in this agreement, which had not yet been rendered, are considered rendered upon completion of the acquisition of CIS Technology GmbH. The fair value of the annulled licensing and partnership agreement totaling 24.8 million euros corresponds to the purchase price of the same amount. No funds were transferred as payment for this acquisition. No significant acquisition costs were incurred for this transaction. As a result of this acquisition, Manz acquired the following assets and liabilities:

(in EUR million)	Fair value	Carrying value
Intangible assets		
Technology	20.4	0.0
Patents	2.5	0.0
Tangible assets		
Machines	2.3	0.0
Cash and cash equivalents	0.3	0.3
	25.5	**0.3**
Non-current liabilities	0.6	0.1
Current liabilities	0.1	0.1
Fair value of net assets	**24.8**	**0.1**
Net assets [1]	24.8	0.1
Acquisition costs	24.8	
Goodwill	**0.0**	

1) Calculation of the fair value of assets and liabilities is not yet complete. As a result, provisional values were recorded pursuant to IFRS 3.62.

The financial statements of the subsidiary companies will be prepared on the reporting date of the consolidated financial statements, which corresponds to the reporting date of Manz AG.

KEY EVENTS IN THE PERIOD UNDER REVIEW

The Manz Group's revenues in the first nine months of the 2012 fiscal year declined by 23.07 % compared to same period last year – from 192.0 million euros to 147.7 million euros. Total operating revenues decreased by 27.9 % to 157.0 million euros.

Earnings before interest and taxes (EBIT) declined from 3.8 million euros in the same period last year to a loss of –3.5 million euros.

NOTES TO INDIVIDUAL ITEMS ON THE INCOME STATEMENT

OTHER OPERATING INCOME

(in EUR tsd.)	Sept. 30, 2012	Sept. 30, 2011
Capital gains	763	1,158
Income from the reduction of reserves		678
Income from the release of provisions	561	545
Income from the sale of investments	19	168
Subsidies	2,272	191
Changes to write-downs on accounts receivable	16	30
Third-party allowances	4,500	0
Other	1,238	734
	9,369	**3,504**

MATERIAL EXPENDITURE

(in EUR tsd.)	Sept. 30, 2012	Sept. 30, 2011
Cost of raw materials, and supplies, and for purchased goods	69,435	132,604
Expenditure on third-party services	5,907	7,109
	75,342	**139,713**

OTHER OPERATING EXPENSES

(in EUR tsd.)	Sept. 30, 2012	Sept. 30, 2011
Rent and leasing	4,627	3,926
Other operating costs	2,342	1,713
Employee benefit costs	1,351	1,319
Advertising and travel expenses	6,130	4,912
Outgoing freight, packaging	1,810	1,925
Legal and consulting costs	1,373	710
Insurance	663	420
Licensing fees	965	528
Capital losses	584	385
Losses on accounts receivable	832	38
Changes to write-downs on accounts receivable	102	0
Other	7,963	7,105
	28,741	**22,981**

TAXES ON INCOME

Income taxes include both actual and deferred income taxes arising from temporary differences. On September 30, 2012, no deferred taxes were accumulated from tax loss carry-forwards insofar as the deferred tax assets exceeded the deferred tax liabilities of the respective company.

At the Annual General Meeting of Shareholders held on June 19, 2012, a profit and loss transfer agreement between Manz AG and its German subsidiaries Manz Tübingen GmbH, Manz Coating GmbH, and Manz CIGS GmbH was entered into retroactively effective as of January 1, 2012.

Income taxes consist of the following items:

(in EUR tsd.)	Sept. 30, 2012	Sept. 30, 2011
Deferred tax liabilities/income (–)	1,604	3,197
Deferred tax liabilities/income (–)	1,167	–2,684
	2,770	**513**

NOTES TO THE INDIVIDUAL ITEMS ON THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Licenses, software and similar rights, and assets	31,527	30,326
Capitalized development costs	40,612	33,195
Goodwill	25,499	24,781
Advance payments	104	7,023
	97,742	**95,325**

TANGIBLE ASSETS

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Property and buildings including buildings on third-party properties	17,207	16,968
Technical equipment and machinery	5,930	4,487
Other equipment, furniture, and office equipment	3,849	3,939
Advance payments made and construction in progress	20,066	5,986
	47,052	**31,380**

The increase in advance payments made totaling 14.1 million euros resulted, on the one hand, from the reassignment of the CIGS co-evaporation system to construction in progress and, on the other hand, from the construction of the production facility in China.

INVENTORIES

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Raw materials and supplies	28,342	27,198
Goods in process, work in progress	28,509	36,845
Finished goods, products	3,189	708
Advance payments	3,332	1,642
	63,372	**66,393**

ACCOUNTS RECEIVABLE

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Future receivables from non-current construction contracts	31,031	49,234
Accounts receivable	48,029	34,941
	79,060	**84,175**

Future receivables from noncurrent construction orders, accounted for according to their percentage of completion, are determined as follows:

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Manufacturing costs including outcome of the contract for noncurrent construction contracts	69,191	107,385
minus advance payments received	–38,160	–58,151
	31,031	**49,234**

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	Sept. 30, 2012	Dec. 31, 2011
Tax receivables (not income taxes)	2,121	1,712
Receivables, personnel	636	313
Other accruals and deferrals (primarily from insurance)	169	290
Other	1,406	1,609
	4,332	**3,924**

EQUITY

Changes to the Group's individual equity items are detailed separately in the Consolidated Statement of Changes in Equity.

TREASURY SHARES

In the first nine months of 2012, the Manz Group purchased 1,499 of its own shares at an average price of 28.29 euros per share (with a total value of 42,000 euros), which were primarily transferred to employees within the scope of bonus agreements.

The company does not hold any treasury shares as of September 30, 2012.

CAPITAL STOCK

Capital stock totals 4,480,054 euros (December 31, 2011: 4,480,054 euros) and comprises 4,480,054 registered, common, no-par shares. The face value of a no-par share is 1.00 euros.

There were no changes to the company's capital stock during the first nine months of 2012.

CAPITAL RESERVES

The capital reserves primarily contain payments from shareholders pursuant to Article 272, Paragraph 2, No. 1 of the German Commercial Code, minus financing costs after taxes.

In the first nine months of 2012, expenses totaling 51,000 euros were incurred as a result of the Performance Share Plan and are disclosed under personnel expenditures.

ADDITIONAL INFORMATION REGARDING CAPITAL MANAGEMENT

On September 30, 2012, 25,000,000 euros (December 31, 2011: 27,500,000 euros) of financial liabilities were subject to a covenant agreement, which stipulated an equity ratio of 30 % and orders on the books with a value of 100 million euros. The stipulation of the covenant agreement pertaining to orders on the books was not fulfilled on September 30, 2012. This information was disclosed to the relevant banks. In addition, financial liabilities held by Manz Slovakia valued at 3,010,000 euros (December 31, 2011: 3,325,000 euros) were also subject to a covenant agreement in the reporting period related to the individual financial statement of Manz Slovakia. The provisions of this agreement stipulated an equity ratio of more than 10.0 % and an EBITDA-to-revenue ratio of more than 5.0 %. These two financial stipulations were not fulfilled as of September 30, 2012.

The banks have already indicated that for the time being they are neither going to require changes to the credit agreements nor changes with regard to providing possible subsequent collateral. This has already been partially confirmed in writing with reference to the company's excellent equity base. As a result, the Managing Board is not expecting any changes to be made to the terms of our credit lines. In addition, the company is currently in constructive talks with its banks to pursue the goal of reorganizing its bank financing and redefining the covenants.

CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

When acquiring a company, an obligation to continue operations and other obligations exist. The resulting financial obligations are expected to total a maximum of 11,025,000 euros.

Besides that, the other financial obligations and commitments did not change in any significant way compared to December 31, 2011.

RELATED PARTIES

Compared to December 31, 2011, the group of related companies and people has remained unchanged.

Between January 1 and September 30, 2012, Manz AG and Manz CIGS Technology purchased laser systems with a value of 16,564,000 euros from the TRUMPF Group. The managing director of the TRUMPF Group, Dr. Peter Leibinger, is also a member of Manz AG's Supervisory Board. As of September 30, 2012, Manz held liabilities to the TRUMPF Group totaling 34,000 euros.

KEY EVENTS OF PARTICULAR IMPORTANCE OCCURRING AFTER THE END OF THE REPORTING PERIOD

No further events occurred after the reporting date which could have an impact on our company's financial position and results of operations.

FURTHER INFORMATION

EMPLOYEES

On September 30, 2012, the Manz Group had an average of 1,923 employees (September 30, 2011: 1,865 employees).

MANAGING BOARD

Dieter Manz, Dipl.-Ing. (FH), CEO
Martin Hipp, Dipl.-Kaufmann, CFO

SUPERVISORY BOARD

Prof. Dr. Heiko Aurenz, Dipl. oec., Partner at Ebner Stolz Mönning Bachem Unternehmensberatung GmbH, Stuttgart, Chairman

Dr.-Ing. E.h. Dipl.-Ing. Peter Leibinger, Managing Director of TRUMPF GmbH + Co. KG, Ditzingen, Deputy Chairman

Prof. Dr. Michael Powalla, Head of the Solar Division and Member of the Board of the Baden-Württemberg Center for Solar Energy and Hydrogen Research (ZSW) and professor of thin-film photovoltaics at the Karlsruhe Institute of Technology (KIT), Light Technology Institute, Faculty of Electrical Engineering and Information Technology

Reutlingen, November 6, 2012

The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the Manz Group's assets, liabilities, financial position, and profit or loss, and the Manz Group's interim management report includes a fair review of the trends and performance of the business and the position of the group, as well as a description of the principal opportunities and risks associated with the group's expected performance.

Reutlingen, November 6, 2012

The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

89,383

SQUARE METERS OF CUSTOMER PROXIMITY – MANZ WORLDWIDE

Manz takes the shortest path available to bring the German art of engineering to our customers. We operate local manufacturing facilities and have on-site sales and service teams in the markets with the greatest potential. This particularly applies to the dynamic boom areas in Asia, where we have established ourselves over the last 20 years or so and benefit from outstanding access to the market. The fact that 1,297 of our 1,912 employees are employed outside of Germany demonstrates how important a worldwide presence is to us. However, Germany remains of great significance to us – because this is where we find the best minds and have access to an enormous wealth of potential expertise, which helps always keep us one step ahead of the competition.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Asia

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