manz
passion for efficiency

2011
PASSION FOR EFFICIENCY

6-MONTH REPORT – MANZ AG

FINANCIAL CALENDAR 2011

Date	
November 15, 2011	2011 9-Month Report
November 21–23, 2011	2011 German Equity Forum

OVERVIEW OF GROUP RESULTS

(in EUR million)	**Q1 + Q2 2011**	**Q1 + Q2 2010**
Revenues	129.79	67.51
Total operating revenues	142.28	77.60
EBIT	3.54	–1.54
EBIT margin (in %)	2.49	–
EBT	3.21	–1.15
Consolidated net result	2.88	–0.66
Earnings per share	0.61	–0.16
Operating cash flow	–12.03	–5.27
Equity ratio (in %)	57.44	66.41 *
Net debt	2.41	–24.68 *

* as of Dec. 31, 2010

MANZ AG MISSION STATEMENT

As a high-tech engineering company, our goal is to develop equipment and systems for fast-growing sunrise industries, especially for companies active in the field of green technology. In pursuit of this goal, our strategy is to innovate at a fast pace, improving existing products and creating new solutions that offer our customers competitive advantages. In this regard, our extensive technological know-how forms the foundation upon which our company is built. We focus on the key technologies of our time such as a sustainable energy supply, displays for global communications needs, and electric transportation. Thanks to our core areas of expertise – automating processes and developing integrated systems – our technologies find application in a wide variety of industries. The art of engineering we live and breathe day in and day out rapidly leads us to become familiar with additional processes, which in turn allows us to develop new, powerful products. At Manz, research and development are a top priority. This spirit of invention spurs us on each and every day – and is what makes our company's dynamic growth possible.

CONTENT

LETTER FROM THE MANAGING BOARD

Dear Shareholders,

During the first half of 2011, we continued the successful performance we recorded last year. After successfully moving back in the black in the 2010 fiscal year, in the reporting period we generated revenues of 129.8 million euros. As a result, we almost doubled the 67.5 million euros in revenues we generated last year. In addition, we also succeeded in significantly increasing our profitability. After posting a loss in the previous year (–1.5 million euros), we achieved earnings before interest and taxes (EBIT) of 3.5 million euros between January and June 2011. Furthermore, our Group profit of 2.9 million euros, compared to the loss we recorded in the first half of 2010 (–0.7 million euros), underscores the positive trend Manz AG is currently experiencing.

The capital market environment, currently somewhat skeptical of the photovoltaic industry, demonstrates how important our strategy of diversification and the associated systematic focus on high-growth, future industries was and still is to the long-term success of our company. Compared to our competitors, we are highly independent of developments in individual industries, and this goes hand in hand with the stabilization of our revenue and earnings structure. As a result, our Flat Panel Display (FPD) division has benefited from our customers' massive increase in production capacities – particularly in Asia – in order to meet the undiminished dynamic demand for touch panel applications. And Manz is on a course for further growth in the future, because our production facilities in Taiwan and China for the production of wet-chemical systems and automation solutions will remain fully utilized until well into the second half of 2011.

Thin-film technology represents another key element of Manz's strategy. With our CIGS-fab, we are currently the only equipment manufacturer in the world capable of offering a turn-key, integrated production line for CIGS thin-film solar modules which can already be operated profitably today. It's true: establishing the technology on the market is turning out to be a great challenge. But it's a challenge we are facing with unwavering resolve – because we are firmly convinced of the technology's advantages and potential! We want to and will continue to systematically tailor the cost structures of our CIGSfab to the needs of solar manufacturers.

At the present time, our Solar division is facing a number of different, and sometimes contradictory, market developments. On one side, the political debate over nuclear power – which is taking place both in Germany and beyond – makes it clear that renewable energies, and subsequently photovoltaics, will play an important role in the energy mix of the future. At the present time, however, solar manufacturers are facing a difficult situation in the stock markets. This skepticism on the part of investors is most likely the result of the increasing asymmetry between excess capacity on the one hand – particularly in Asia – and declining feed-in tariffs in the core markets. The result is clear: now more than ever, efficiency and low manufacturing costs are the key criteria for decisions regarding an investment in solar equipment.

For Manz, developing innovative products is the key to future growth, which is why we are going to continue investing heavily in research and development. Our goal is to strengthen our leading market and technological position in the industries relevant to us and, as a result, to create the foundation for profitable and long-term growth. True to our slogan "Passion for Efficiency," our solutions help solar manufacturers effectively counteract the cost pressure they face. The Intersolar Award in the category "PV Manufacturing Technology," which we received in June 2011 from an independent jury of experts for our OneStep Selective Emitter technology as a result of its outstanding efficiency and profitability, is proof of this fact.

In addition to developing innovative products, we also want to impress our customers with a competitive pricing policy. For example, in the reporting period we succeed in drastically cutting the cost of our SpeedPicker. And its success proves this was the right way to go! Currently, there are more than 300 systems in use and the next generation technology, the SpeedPicker 1.1, is almost ready to go. The result is that our customers will benefit from increased profitability and a system which is easier and more intuitive to operate.

In addition, we are working extremely hard to further improve our cost structure. In addition to simplifying internal production processes and continuing to standardize our product components, we want to achieve this primarily through the use of economies of scale. The groundbreaking ceremony held in February of 2011 for our new high-tech production facility in the Chinese city of Suzhou represents one milestone on this path. As a result of our significantly expanded production capacity, we will be in an excellent position by the end of the current fiscal year from which to increase our profitability over the long term. In addition, the geographic proximity to our key customers in Asia also represents a decisive competitive advantage.

As a result of the high level of capacity utilization to date, the order backlog of roughly 120 million euros (end of June 2011), and the promising prospect in the Solar division of seeing demand from customers who wish to upgrade their existing production lines to highly efficient Manz lines, the Managing Board is confident that, even in the current market environment, the company will achieve its revenue target of 240–250 million euros as well as continue to become increasingly profitable. However, the current trends in the capital markets and the associated dangers posed by unstable financing conditions in our company's target markets make it difficult to create a reliable forecast for the second half of 2011. Should overall macroeconomic conditions and industry conditions continue to worsen as the year progresses, we face the risk of not completely achieving our stated targets.

We would like to thank you, dear Shareholders, for the confidence you have shown in us as we continue on our journey. A journey that we will now be taking under a "new flag." Changing the name of our company from Manz Automation AG to Manz AG reflects our evolution from an automation specialist to a supplier of integrated production systems. As we strive to achieve our goal – combining sustainable and profitable growth – your support is absolutely crucial.

We would also like to give a special thanks to our highly qualified and committed employees, whose dedication once again played a key role in Manz Automation's success in the first half of 2011.

We look forward to continuing to work on the future of our company together.

The Managing Board

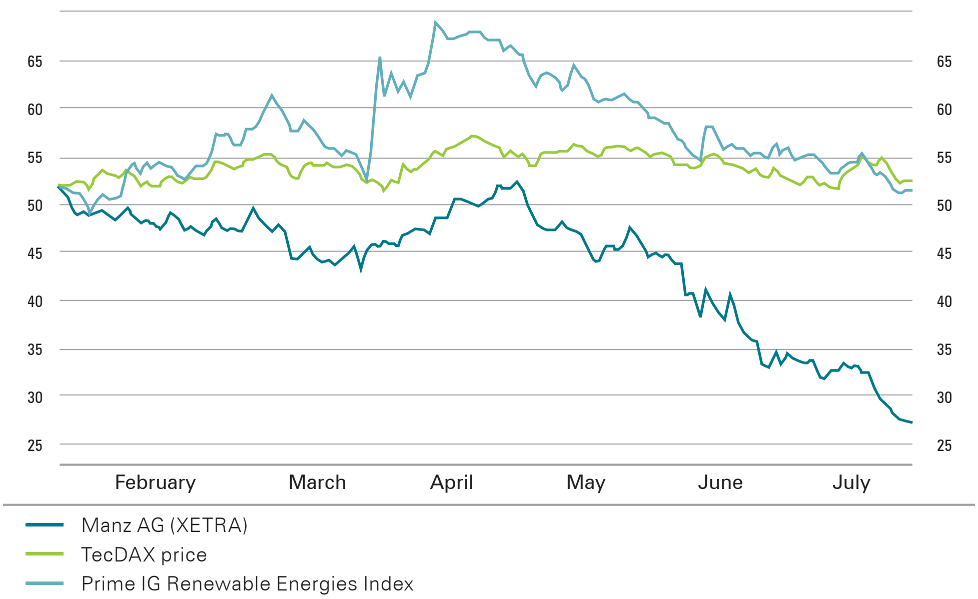
Dieter Manz Martin Hipp Volker Renz

MANZ AG STOCK

OVERVIEW

Manz AG's stock has been listed on the Frankfurt Stock Exchange's regulated market (in the Prime Standard segment) since July 2008. In the first half of 2011, the German stock markets showed inconsistent performance. In contrast to the leading DAX index, which was able to continue its positive trend from the previous year, the first half of the year for technology stocks (TecDAX) was dominated by a sideways trend. In this context, the Prime IG Renewable Energies sector index (ISIN: DE0007237810) proved to be particularly volatile. The growth spurt which occurred as a result of the nuclear catastrophe in Japan – and the resulting debate regarding the decision to phase-out nuclear power – did not last. The industry was confronted with increasing skepticism on the part of investors, particularly in the second quarter of 2011 – a negative trend which not even the decision to phase out nuclear power in Germany could reverse. Throughout this trend, Manz AG's stock performed weaker than the overall market, reaching its high for the year on April 14, 2011, at 52.22 euros, after which point the price declined. The stock price reached its annual low of 31.90 euros on June 24, 2011. At the end of the reporting period on June 30, 2011, the stock was valued at 32.91 euros, which corresponds to a market capitalization of approx. 147.4 million euros.

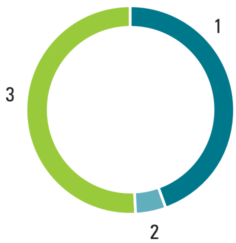
CHART SHOWING MANZ AG SHARES 2011 (XETRA, in EUR)



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 EUR

SHAREHOLDER STRUCTURE



1	**44.49 %**	Dieter Manz
2	**4.70 %**	Ulrike Manz
3	**50.81 %**	Streubesitz

Currently at 50.81 %, Manz AG has a large number of shares in free float and has a wide shareholder base. At the end of the quarter on June 30, 2011, company founder and Chairman of the Managing Board, Dieter Manz, held a 44.49 % stake in Manz Automation. In addition, Ulrike Manz holds a 4.70 % share of the company.

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ENTHUSIASM EFFECTS CHANGE

WE INVEST IN RESEARCH AND DEVELOPMENT, BECAUSE NOT ONLY DO WE WANT OUR PRODUCTS TO BE GOOD, WE WANT THEM TO BE EXCEPTIONAL.

MANZ – PASSION FOR EFFICIENCY

DR. FLORIAN SCHWARZ, DEVELOPER, MANZ KARLSTEIN

GROUP INTERIM REPORT

BUSINESS REPORT

BUSINESS ENVIRONMENT

Market and Competitive Environment

Economic Environment

According to forecasts by the International Monetary Fund (IMF), the global economy will continue growing in 2011, although not as strongly as it did last year. In 2010, the global economy grew by around 5 %; in contrast, the IMF is predicting a slightly lower increase in global economic output for the current year (+4.4 %).

In Germany, after having a successful year in 2010, the first half of 2011 was characterized by a continuation of positive economic trends. This began with exceptionally strong real GDP growth of 1.5 % in the first quarter of 2011. This is equal to an increase of 6.1 % compared to the first quarter of 2010. For the second quarter of 2011, the Institute for the World Economy (IfW) is also forecasting strong growth of 3.3 % compared to the previous quarter. The experts expect to see an increase in Germany's economic output of about 3.6 % for the entire year.

According to the ifW, the national debt crisis within the EU poses risks for Germany's economic development. If this crisis does not lead to an EU member nation declaring bankruptcy and the resulting turbulence in the financial markets (as many experts fear), the ifW expects to see positive GDP growth in Germany as a result of declining unemployment numbers, increasing private consumer spending, and continued high foreign demand.

With industry revenues totaling approx. 174 billion euros in 2010, German engineering firms were able to increase the previous year's value of 161.1 billion euros by 8.8 %. In this context, production capacities were utilized at an average rate of 79.8 %. The cumulative value of the industry's exports in 2010 totaled about 125 billion euros, which corresponds to an export ratio of over 75 %. China had already surpassed the United States as the most important market for German equipment exporters in 2009, and the country proved to be a key driver of industry growth in 2010 as well.

According to the German Engineering Federation (VDMA), Germany's engineering firms are also seeing significant benefits from this positive macroeconomic trend in 2011 as well. For example, according to official statistics, German equipment manufacturers succeeded in increasing production in May by a record-breaking 25.4 % YOY. Growth in the current year (between January and May) now totals 18 %. And the number of new orders received is also fueling further optimism. Looking at the three months from March to May 2011, engineering firms received 20 % more actual orders than in the same period last year. As a result, industry experts are forecasting around 14 % growth in real equipment production for 2011.

Solar Division

The photovoltaic industry can look back on a successful year in 2010, and the sector – which, in spite of declining prices for solar products but benefiting from significantly improved financing conditions – was able to continue the dynamic growth seen in previous years. According to estimates by the Swiss Bank Sarasin, the industry grew by 87 %. In absolute terms, the total capacity of all newly installed photovoltaic equipment equaled 13.8 GW. In addition, the catastrophe in Japan in early 2011 and the political debate over nuclear power demonstrated that photovoltaics will play a key role in shaping a sustainable energy mix in the future. These ambitious forecasts are based on the assumption that engineering firms will continue to actively strive to make rapid technological advancements, cut manufacturing costs, increase the efficiency of solar cells, and that manufacturers will advance into new growth markets.

In the context, the global photovoltaic market is subject to various growth dynamics. While the significance of Germany – by far the most important sales market in 2010, with a 46 % market share according to IMS Research – is continuing to decline, other countries are becoming more relevant. As a result, the solar industry is no longer as dependent on the growth of key individual markets. Assuming global newly installed capacity of 18.4 GW in 2011, the industry experts at the American investment bank Jefferies believe Germany will have a market share of around 30 %, followed by Italy, which could be responsible for about 20 % of global demand. However, this figure is subject to significant regulatory uncertainty. According to their estimates, the North American subcontinent represents the third most important market, with a global share of approx. 10 %.

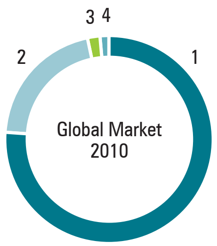
In contrast, future growth markets such as China and India are still in the early stages of development, and will only become significant markets driving growth in the photovoltaic industry at some point in the future. According to calculations by the National Energy Administration (NEA), newly installed capacity in China only totaled 0.6 GW in 2010. In contrast, according to estimates by the management consulting firm PRTM, Chinese solar manufacturers increased their share of total industry revenue from 36 % to 45 % in 2010, whereby their operating profits in this period increased sixfold – to nearly 2 billion euros (2009: 313 million euros). That corresponds to almost 60 % (2009: 36 %) of all global earnings in the industry.

This demonstrates that the photovoltaic industry has excellent prospects for the future, particularly over the long term. Industry experts at Bank Sarasin expect to see annual growth of about 30 % for the period between 2012 and 2020, with the markets outside of Europe particularly exhibiting above-average growth rates. Based on these estimates, total photovoltaic capacity worldwide is forecasted to reach 155 GW in 2020. The European Photovoltaic Industry Association (EPIA) sees similar high potential in the markets, and is predicting installed capacity of between 131 GW and 196 GW by 2015.

Despite the extremely optimistic long-term forecasts, the photovoltaic industry is currently facing several key challenges. The price situation remains tense, and companies are still suffering under significant competitive pressure and pressure to consolidate. This caused the investment climate for the solar industry to worsen in the first half of 2011, in contrast to the market's overall trend. In addition, experts also fear that in the second half of the current fiscal year, solar manufacturers' overcapacities – particularly in Asia – could go hand in hand with an oversupply of solar cells and modules. Along the same lines, the level of demand for equipment could also temporarily decline.

Thin-Film Solar Module Segment

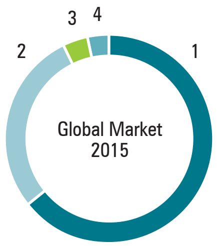
MARKET SHARES OF VARIOUS PHOTOVOLTAIC TECHNOLOGIES



1	**76.6 %**	Crystalline solar cells
2	**20.5 %**	Thin-film solar modules
3	**1.8 %**	Concentrator solar cells
4	**1.1 %**	Other*

Source: EuPD Research

*e.g. organic solar cells, dye cells, etc.



1	**64.4 %**	Crystalline solar cells
2	**28.6 %**	Thin-film solar modules
3	**3.7 %**	Concentrator solar cells
4	**3.3 %**	Other*

Source: EuPD Research

According to estimates by the market research firm EuPD Research, the thin-film solar module market had about a 20.5 % share of the entire solar market in the previous fiscal year – that number is growing, however. As such, experts assume that crystalline solar cells' market share will shrink by 2015, with thin-film solar modules gaining up to a 28.6 % share of the total market by that time. This can be interpreted as a reversal of previous trends, since up until now (and especially during the years of the global economic and financial crisis), thin-film technology faced significant hurdles as a result of the significantly higher initial investments required for production technology. At the same time, spot prices of silicon have dropped so dramatically that the cost benefit per watt as compared to crystalline modules has also shrunk dramatically, and is now almost nonexistent. Despite these problems, the compound annual growth rate in the thin-film solar module segment is exceeding that of the entire solar market by 50 % (CAGR, 2008 to 2012).

Although many experts criticize the fact that the technology's technical efficiency often falls far lower than its self-proclaimed expectations – all while manufacturing costs have barely been reduced – this sub-segment of the photovoltaic market still remains attractive. In fact, thanks to lower temperature coefficients, this technology is actually superior in regions with high ambient temperatures. Ultimately, the amount of space available determines which technology is a better choice for a particular application. Building-integrated photovoltaics (BIPV) are another potential area of application for thin-film technology. Architects and building planners benefit from the ability to design a more homogenous overall look and the wide range of colors available when using this technology. In addition, BIPV can also be installed on curved support structures. According to calculations by the US market research firm BCC Research, newly installed BIPV in 2010 totaled around 1.2 MW worldwide. The industry experts expect a total capacity of 11.4 MW by 2015, which corresponds to a compound annual growth rate of 56 %. The industry also needs to determine which system will become widely accepted within the thin-film segment. At the present time, CIGS (copper, indium, gallium, sulfur, and selenide) is viewed as the leading thin-film technology, and has the greatest potential when it comes to the level of efficiency which can be achieved compared to amorphous silicon (a-Si) and cadmium telluride (CdTe).

FPD Division

The flat panel display market encompasses all products built with flat screens, such as LCD TVs, but also comprises the particularly high-growth and promising sub-segment of touch panels for mobile devices (such as cellular phones like the Apple iPhone®, GPS systems, tablet PCs like the Apple iPad®, and laptops). Thanks to the high demand for LCD flat screens, the market was able to grow considerably in 2010. From a global perspective, the market for televisions saw particularly strong growth in newly industrialized countries, although Europe also recorded good growth. As a result, TV sales grew by 17 % to 247 million units, with the LCD segment growing 31 %, or almost twice as fast as the overall market. According to forecasts by the market research firm Digitimes Research, the market for LCD televisions will reach a volume of 210 million units in 2011, after about 180 million units were sold in the previous fiscal year. Despite rapidly growing sales figures, DisplaySearch is forecasting revenues in the industry to continue declining until 2014 as a result of sinking prices. Investments in the latest generation of production equipment are subsequently just as essential to future market growth as efficient and cost-effective manufacturing processes.

New Business Division

The move to electric vehicles is a major trend associated with profound changes in the automotive industry, and these changes offer outstanding prospects for economic growth and employment. According to a study conducted by the management consulting firm Roland Berger and the German Engineering Federation (VDMA), the number of vehicles sold worldwide will grow from around 72 million in 2010 to far more than 100 million units in 2020. This growth will primarily be driven by high demand in the BRIC nations (Brazil, Russia, India, and China). To ensure that this dynamic growth is as sustainable as possible – which means taking ambitious CO2reduction targets into account, and reducing the use of increasingly scarce fossil fuels – it is imperative that advancements are made to alternative drive systems. As such, HSBC is forecasting that automobiles powered by lithium-ion technology will gain a market share of around 87 % by 2020. In order to accelerate the world's transition into the electric age on the road, numerous governments have also developed ambitious subsidy concepts. For example, Germany developed a "National Development Plan for Electric Vehicles," with the goal of putting one million newly registered electric vehicles on its roads by 2020. The plan consists of a number of measures, including a subsidy fund totaling 500 million euros for research and development projects, model regions, as well as creating a national electric vehicles platform which will be responsible for coordinating the concrete steps taken to achieve the government's goals. In addition, large-scale public subsidy programs have also been implemented in China, South Korea, England, and Portugal. Spain, France, and the United States also offer potential electric vehicle buyers government-subsidized discounts as well as additional privileges on the road, such as allowing electric vehicles to also use bus lanes.

For German engineering firms, this trend goes hand in hand with considerable market potential, particularly because, as experts point out, the expertise needed for the individual steps in the process of manufacturing both batteries and electric engines already exists, and is to some extent already being successfully sold in other industrial applications (such as within the scope of photovoltaic and semiconductor manufacturing). In this context, strategic partnerships and alliances are being viewed as a particularly fitting way to fully tap future market potential.

Printed Circuit Board/OEM Reporting Segment

The PCB and Electronic Systems division of the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie e.V., or ZVEI for short) is forecasting growth in the global market for printed circuit boards of about 7 % in 2011, after seeing record growth of over 20 % in 2010. In a similar fashion, the German market will also grow by 7 % to almost 1.4 billion euros, according to estimates by industry experts. This means that the market is almost back to the same size it had been in 2008, before the economic crisis. The experts from ZVEI primarily view the robust growth in the relevant target markets (such as automotive electronics), as well as the investors in industrial nations, once again making investments as the primary factors driving this positive development.

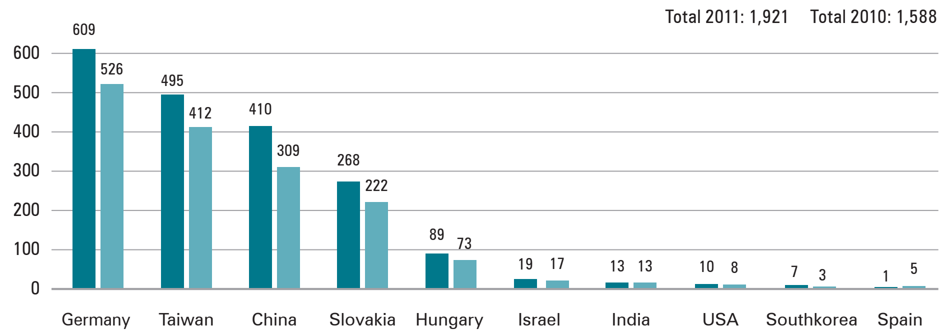
COMPANY POSITION

Employees

Qualified and motivated employees form the foundation of our company's long-term success. On June 30, 2011, a total of 1,921 employees (previous year: 1,588) worked for the company both in Germany and abroad, 447 of which were employed at our company's headquarters in Reutlingen (previous year: 400).

Based on the number of employees, the largest subsidiary in the Group is Manz Taiwan Ltd. in Taiwan, with 493 employees, followed by Manz China WuZhong Ltd. in China, with 383 employees, and Manz Automation Slovakia 268 employees.

EMPLOYEES BY COUNTRY



Employees as of June 30, 2011
Employees as of June 30, 2010

Research & Development

Research and development activities play a critical role in the success of any engineering company. This is why Manz has made the existential decision to continuously invest in new developments – now and in the future. Correspondingly, Manz Automation's strategic focus in the first half of 2011 was on continuing to intensify research and development activities. Manz will continue down this path in the future in order to reinforce our position as the leader driving innovation in the industry. In this context, Manz's stated goal is to make advancements to existing products and to launch new integrated system solutions. This will give Manz an excellent position from which to fully participate in the upcoming wave of investments by solar manufacturers. In this context, our company is focused on the industry's high standards when it comes to increasing efficiency and low manufacturing costs. Manz has developed highly efficient and seamlessly integrated equipment exactly for this purpose, and our systems will set new standards in the industry, further underscoring our company's lead over the competition when it comes to innovation.

Efficient technologies and simultaneously declining manufacturing costs – in order to achieve this goal as quickly as possible, development partnerships represent a sensible strategic option. For example, in addition to the research project focused on the CIGSfab, Manz has also entered into another joint project with the solar module manufacturer Schott Solar AG and Europe's largest solar energy research institute, the Fraunhofer Institute for Solar Energy Systems (ISE). The focus of this project is the development of key technologies for the industrial mass production of crystalline silicon solar cells and modules, specifically fine line metallization as well as cutting passivation areas into both sides of the cell. Germany's federal government is supporting the development partnership between Manz, Schott Solar, and the Fraunhofer ISE with a total 3.7 million euros in subsidies.

Manz AG had a total ratio of research costs to sales of 9.3 % in the reporting period (previous year: 11.2 %). Considering capitalized development costs alone, the ratio of research costs to sales amounts to 5.5 % (previous year: 6.6 %).

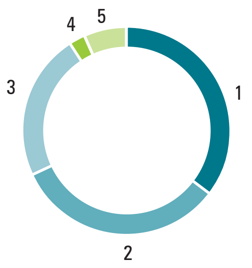
NOTES TO THE RESULTS AND ANALYSIS OF THE FINANCIAL SITUATION

Earnings Position

Manz Automation AG's profit and loss statement is organized according to the total cost method. In the first half of the 2011 fiscal year, our company continued to benefit primarily from the improved macroeconomic situation and the high demand from Asia. This resulted in total revenues of 129.8 million euros, or close to double our revenues from the same period last year, when we generated 67.5 million euros. Above all, our newly developed and innovative products in our Solar and FPD divisions drove this revenue growth, which were in particularly high demand from customers in China and Taiwan. In addition, the year is shaping up to be the best ever in our FPD division. The current number of orders on hand, valued at close to 120 million euros, are all proof of this positive trend and underscore the fact that we can achieve our revenue targets for 2011.

In this context, all of Manz AG's division were able to benefit from the increased demand seen in the first half of the year. The largest share of revenues – as in the year before – was generated in our Solar division, where we posted 46.0 million euros in revenues, equal to 35.4 % of Manz AG's total. Of this total, 30.1 million euros, or 65.5 %, resulted from the sale of system solutions for manufacturing crystalline solar cells (previous year: 24.7 million euros, equal to 85.2 %) and 15.9 million euros, equal to 34.5 %, came from our thin-film solar module subsegment (previous year: 4.3 million euros, equal to 14.8 %). In the previous year, system solutions in the Solar division contributed 29.0 million euros, equal to 42.9 % of the Group's total revenues. Our Flat Panel Display (FPD) division was responsible for the second-largest share of revenues, generating 42.5 million euros, equal to 32.8 %. Comparing this total to last year, when the division only generated 19.0 million euros, equal to 28.1 % of total revenues, demonstrates the dynamic growth in this field, which is primarily the result of the high demand for tablet PCs and smartphones. The PCB/OEM subsegment, which was first reported individually in 2010, generated a relevant share of revenues in the first half of 2011, with 29.8 million euros, which is equal to 22.9 % of Manz's total. In the first half of 2010, our company only generated revenues of 12.3 million euros from our printed circuit board business (equal to 18.2 % of total revenues). In addition to the aforementioned segments, revenues in our Miscellaneous division and our New Business division totaled 8.6 million euros (6.6 %) and 3.0 million euros (2.3 %), respectively.

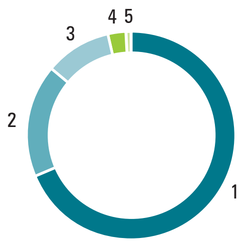
REVENUES BY BUSINESS UNIT JANUARY 1 TO JUNE 30, 2011



1	**35.4 %**	Solar
2	**32.8 %**	FPD
3	**22.9 %**	PCB/OEM
4	**2.3 %**	New Business
5	**6.6 %**	Other

The lion's share of revenues was once again generated in Asia during the first half of 2011, although this trend declined slightly. In total, Manz generated revenues of 89.7 million euros in the Far East, which is equal to a share of 69.1 % of all revenues (previous year: 49.8 million euros, equal to 73.8 %). Revenues generated in Manz AG's home market of Germany also rose compared to the same period last year, from 8.6 million euros to 13.3 million euros (from 12.8 % to 10.3 %). In the rest of Europe, Manz generated revenues of about 22.7 million euros in the reporting period, equal to 17.5 %. Last year, our company generated 7.5 million euros in this region, equal to 11.1 %. In addition, 3.8 million euros – equal to 2.9 % of the Group's total revenues – were generated in the United States (previous year: 1.3 million euros, equal to 1.9 %), and 0.2 million euros – equal to 0.2 % (previous year: 0.3 million euros, equal to 0.4 %) – were generated in other regions of the world.

REVENUES BY REGION JANUARY 1 TO JUNE 30, 2011



1	**69.1 %**	Asien
2	**17.5 %**	Rest of Europe
3	**10.3 %**	Germany
4	**2.9 %**	USA
5	**0.2 %**	Other regions

Taking into account changes to our inventory of finished goods totaling 5.4 million euros (previous year: 5.6 million euros) as well as internally produced and capitalized assets – resulting from increased research and development activities – Manz AG's total operating revenues increased to 142.3 million euros. This corresponds to almost double the revenues generated in the same period last year (77.6 million euros). As a result of our expanded operations, material expenses in the first six months of 2011 grew from 45.9 million euros to 89.9 million euros. As a result, our cost of materials ratio increased slightly to 63.2 % (previous year: 59.2 %). The German term "Rohergebnis," which is similar to gross profit or loss, is a figure which includes total revenues, changes in inventory of finished and unfinished goods, cost of materials, and other operating income. Together with other operating income in the reporting period of 2.3 million euros (previous year: 4.2 million euros), this figure grew significantly to 54.7 million euros. Compared to the same period last year (35.8 million euros), this corresponds to an increase of 53 %.

On the reporting date of 30.06.11, Manz had a total of 1,921 employees. As such, we were able to reverse the trend from the previous year, which saw our company reduce personnel levels at foreign locations as a result of the global economic and financial crisis (June 30, 2010: 1,588 employees). As a result, personnel expenses rose significantly from 22.7 million euros in the previous year to 32.1 million euros this year. However, our company's overall increase in revenue meant that the ratio of personnel costs to revenue fell from 29.2 % in the previous fiscal year to 22.5 %.

Depreciations and amortizations totaled 4.8 million euros, up from the 3.4 million euros which was written down during the previous year. In addition, as a result of our expanded business operations, other operating expenses increased from 11.3 million euros to 14.3 million euros. These expenses consist of marketing and sales costs, logistics costs, administrative costs, as well as consulting costs, among other things.

After recording a loss of 1.5 million euros in the same period last year, in the first quarter of 2011, Manz AG generated earnings before interest and taxes (EBIT) of 3.5 million euros. This is primarily due to the strong revenue growth we saw compared to the year before. In addition, the measures we successfully implemented over the past few years to reduce costs (including those pertaining to the procurement and standardization of components) as well as our significantly improved degree of capacity utilization also helped get Manz back in the black. EBIT is an integral, internal management tool used by the company both on the level of the division and the Group.

Looking at the individual segments, we see that EBIT in the FPD division increased almost fivefold from 0.8 to 3.8 million euros. In the Solar division, the operating loss totaled –2.4 million euros, which for the most part corresponds to the loss posted in the same period last year. In our particularly promising New Business division, Manz generated a positive EBIT of 0.3 million euros between January and June of 2011 (previous year: –0.02 million euros). Our PCB/OEM reporting segment contributed 1.2 million euros to Manz AG's total earnings (previous year: 0.1 million euros). In addition, the EBIT in our Miscellaneous division rose to 0.8 million euros after totaling 0.03 million euros in the first half of 2010.

Interest-bearing financial liabilities, some of which are long term, are held by the Group. As a result of these liabilities, our interest expenses in the reporting period slightly exceeded interest earned, resulting in a financial loss of 0.3 million euros (previous year: 0.4 million euros). As such, our earnings before taxes (EBT) increased as a result of our positive operating profit from –1.1 million euros in the previous year to 3.2 million euros.

After taxes and minority shares, the Manz Group posted a consolidated profit of 2.7 million euros for the reporting period (previous year: –0.7 million euros). Based on an average of 4,480,054 shares outstanding, this corresponds to earnings per share of 0.61 euros (previous year: –0.16 euros per share).

Assets Position

In the first six months of the 2011 fiscal year, the value of the company's assets increased as of the reporting date June 30, 2011. Assets had a total value of 325.0 million euros on June 30, 2011, after totaling 283.0 million euros on December 31, 2010. This is primarily the result of our expanded operations and the resulting increase in current assets and current liabilities. Our company's equity decreased slightly in the reporting period – from 187.9 million euros on December 31, 2010, to 186.7 million euros. This is composed of the devaluation of important currencies (particularly the Taiwan dollar) compared to the euro since December 31, 2010. The result is an equity ratio on the reporting date of 57.4 %, as compared to 66.4 % on December 31, 2010.

This was particularly due to an increase in deferred taxes of 4.6 million euros as well as non-current financial liabilities from 4.4 million euros to 8.7 million euros, which resulted from our company taking out an "innovation loan" from the KfW Development Bank. This is in the form of a 20 million euro line of credit which can be used flexibly to finance R&D projects until December 29, 2011, at the very latest. The loan has a ten-year fixed interest period with an interest rate of 2.8 %. Our company has currently used approximately 4.6 million euros of the available credit line.

In addition, current liabilities increased during the first six months of the fiscal year – from 76.4 million euros on the reporting date December 31, 2010, to 110.8 million euros on June 30, 2010. This figure includes interest-bearing current financial liabilities valued at 38.4 million euros, up from 9.8 million euros on the reporting date December 31, 2010. These lines of credit were adjusted to match Manz's operative growth resulting from expanding our business operations. As a result of our positive performance, the value of accounts payable increased to 55.6 million euros, after totaling 51.5 million euros on December 31, 2010. Advance payments received increased from 4.2 million euros to 7.6 million euros. Other liabilities totaled 5.6 million euros after totaling 7.4 million euros at the end of the previous reporting period on December 31, 2010. This figure includes taxes (payroll and church taxes as well as VAT), social security contributions, and personnel provisions.

On the assets side of the balance sheet, long-term assets increased in value after the first six months of 2011 from 122.3 million euros to 133.5 million euros. In this context, above all the value of intangible assets increased to 94.2 million euros (December 31, 2010: 90.0 million euros). The value of tangible assets grew by 2.2 million euros to a total 25.8 million euros.

Current assets increased in value to 191.4 million euros, after totaling 160.7 million euros on December 31, 2010. In this context, the value of our company's inventory increased from 50.0 million euros at the end of the 2010 fiscal year to 65.6 million euros on June 30, 2011, as a result of expanding business operations and our improved degree of capacity utilization. The value of accounts receivable also increased in a similar fashion, growing from 67.1 million euros to 76.2 million euros. The increase in other current receivables from 4.5 million euros to 4.6 million euros is primarily the result of an increase in VAT receivables. The increase in the value of liquid assets from 38.9 million euros to 44.8 million euros can primarily be attributed to an increase of short-term financial liabilities to the banks.

Financial Position

Our company's cash flow in the narrower sense (annual net profit plus write-downs on fixed assets as well as an increase/decrease in long-term pension provisions) in the first half of 2011 totaled 7.1 million euros (previous year: 2.0 million euros). This increase is primarily the result of Manz AG's positive operative growth during the period. When taking the increase in demand for working capital into account, our company generated a negative operative cash flow of –12.0 million euros (previous year: –5.3 million euros). This can primarily be attributed to the significant increase in inventory, accounts receivable, and accounts payable resulting from the expansion of our business operations.

After totaling –13.5 million euros in the previous year, cash flow from investment activities totaled –13.4 million euros in the current reporting period. This figure is mainly the result of acquiring intangible assets as well as property, plant, and equipment.

In contrast, cash flow from financing activities increased to 33.1 million euros, up from 11.1 million euros in the same period last year. This figure is primarily a reflection of changes to overdraft lines of credit, which were used to finance our working capital demand. A major cash inflow resulted from Manz availing itself of a subsidized loan from the KfW totaling 4.6 million euros to finance research and development projects. As a result, Manz AG held liquid assets totaling 44.8 million euros on June 30, 2011 (previous year: 52.6 million euros).

BUSINESS WITH ASSOCIATED COMPANIES AND PEOPLE

Business with people closely associated with the company which had a substantial effect on Manz AG's earnings, assets, or financial position are discussed in detail on page 54 of the Notes.

EVENTS AFTER THE BALANCE SHEET DATE

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

REPORT ON OPPORTUNITIES AND RISKS

The following opportunities and risks have developed in addition to those outlined in the 2010 Annual Report:

RISKS FROM DECLINING DEMAND IN THE SOLAR DIVISION

After a very successful year for the photovoltaic industry in 2010, solar manufacturers are now facing a difficult environment in the stock markets. This skepticism on the part of investors is most likely the result of the increasing asymmetry between excess capacity, on the one hand (particularly in Asia), and declining feed-in tariffs in the core markets, on the other hand. This development could end up having a negative effect on the demand for equipment from Manz AG in the second half of 2011.

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 the first half of 2011, we succeeded in systematically continuing down the positive path we began to travel in the previous fiscal year.

Somewhat contradictory market signals and the tense pricing situation in the solar industry demonstrate that systematically diversifying our business model and focusing on several industries was indeed the right decision. In the present capital market environment, many solar manufacturers are faced with the problem of not being able to refinance investment which are deemed necessary according to current business standards. Over the medium term, however, we believe the photovoltaic industry will experience a sustained positive trend, particularly in the growth markets in Asia and North America.

In contrast, our Flat Panel Display (FPD) division is currently in its second record year in a row. In addition, Manz AG is increasingly benefiting from our activities in the promising field of lithium-ion batteries, where we have successfully acquired several notable European customers. Another positive aspect which must be noted is that we are becoming ever more successful in utilizing potential synergies across different segments and industries. One example of this is the first order we received from SAGE Electrochromics, an American manufacturer of “dynamic window glass,” which in the future will use our thin-film production lines to manufacture tintable windows.

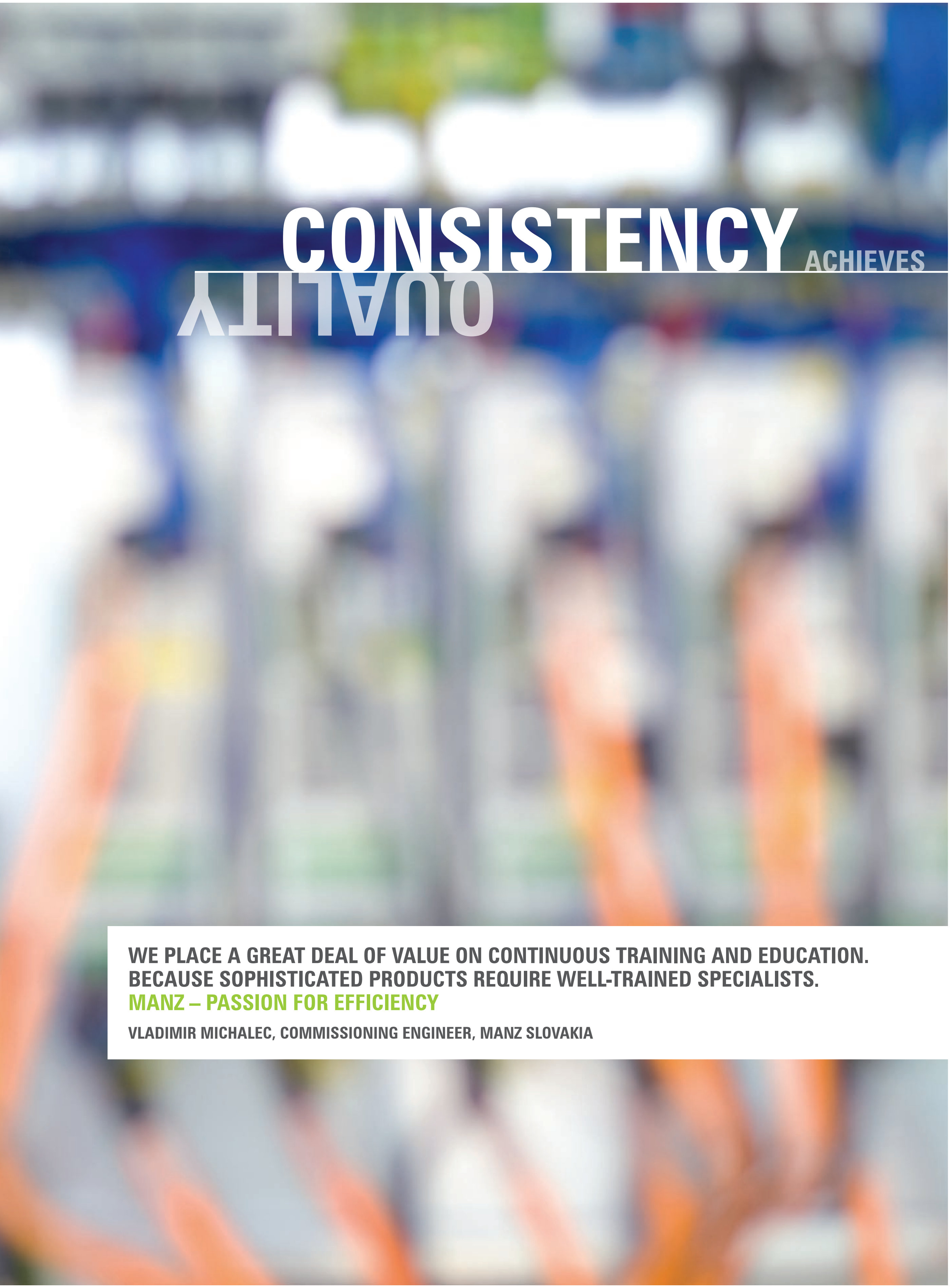
As a result of the high level of capacity utilization to date, the order backlog of roughly 120 million euros (end of June 2011), and the promising prospect in the Solar division of seeing demand from customers who wish to upgrade their existing production lines to highly efficient Manz lines, the Managing Board is confident that, even in the current market environment, the company will achieve its revenue target of 240–250 million euros as well as continue to become increasingly profitable. However, the current trends in the capital markets and the associated dangers posed by unstable financing conditions in our company’s target markets make it difficult to create a reliable forecast for the second half of 2011. Should overall macroeconomic conditions and industry conditions continue to worsen as the year progresses, we face the risk of not completely achieving our stated targets.

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.

August 2011

The Managing Board



CONSISTENCY ACHIEVES QUALITY

WE PLACE A GREAT DEAL OF VALUE ON CONTINUOUS TRAINING AND EDUCATION. BECAUSE SOPHISTICATED PRODUCTS REQUIRE WELL-TRAINED SPECIALISTS.

MANZ – PASSION FOR EFFICIENCY

VLADIMIR MICHALEC, COMMISSIONING ENGINEER, MANZ SLOVAKIA

CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF INCOME

(in EUR tsd.)	Jan. 1 to June 30, 2011	Jan. 1 to June 30, 2010	Apr. 1 to June 30, 2011	Apr. 1 to June 30, 2010
Revenues	129,793	67,514	67,761	46,180
Change in finished goods	5,377	5,618	5,653	–5,801
Own work capitalized	7,106	4,470	3,509	2,932
Total operating revenues	**142,276**	**77,602**	**76,923**	**43,311**
Other operating income	2,312	4,155	1,208	2,798
Cost of materials	–89,869	–45,942	–48,612	–25,283
Gross margin	**54,719**	**35,815**	**29,519**	**20,826**
Personnel expenses	–32,075	–22,672	–16,599	–11,688
Amortization/deprecation	–4,763	–3,431	–2,247	–1,738
Other operating expenses	–14,343	–11,253	–7,310	–5,627
Operating result (EBIT)	**3,538**	**–1,541**	**3,363**	**1,773**
Income from financial investments accounted for at equity	0	–36	0	–17
Financial income	106	632	26	442
Financial expenses	–436	–203	–253	–138
Pre-tax earnings (EBT)	**3,208**	**–1,148**	**3,136**	**2,060**
Income tax expense	–333	484	412	–5
Net income	**2,875**	**–664**	**3,548**	**2,055**
Share of profits – minority interests	153	50	126	–4
Share of profits – shareholders Manz AG	2,722	–714	3,422	2,059
Weighted average number of shares	4,480,054	4,480,054	4,480,054	4,480,054
Earnings per share in EUR (diluted = undiluted)	0.61	–0.16	0.76	0.46

CONSOLIDATED INCOME STATEMENT FOR TOTAL PERIOD

(in EUR tsd.)	Jan. 1 to June 30, 2011	Jan. 1 to June 30, 2010	Apr. 1 to June 30, 2011	Apr. 1 to June 30, 2010
Net income	**2,875**	**–664**	**3,548**	**2,055**
Other comprehensive income				
Difference as a result of currency conversion	–4,006	7,368	–411	3,973
Changes to the fair of value of securities	0	–348	0	–380
Tax effects from other comprehensive income	0	76	0	82
	–4,006	**7,096**	**–411**	**3,675**
Consolidated income statement for total period	**–1,131**	**6,432**	**3,137**	**5,730**
Attributed to minority interests	58	229	–419	185
Attributed to Manz AG	–1,189	6,203	3,556	5,545

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	**June 30, 2011**	**Dec. 31, 2010**
Non-current assets		
Intangible assets	94,151	89,999
Property, plant, and equipment	25,783	23,636
Deferred taxes	12,885	8,036
Other non-current assets	715	615
	133,534	**122,286**
Current assets		
Inventories	65,555	49,995
Trade receivables	76,236	67,054
Income tax receivables	161	164
Derivative financial instruments	80	89
Other current receivables	4,625	4,509
Cash and cash equivalents	44,788	38,902
	191,445	**160,713**
Total assets	**324,979**	**282,999**

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)	**June 30, 2011**	**Dec. 31, 2010**
Equity		
Subscribed capital	4,480	4,480
Share premium	144,093	144,213
Retained earnings	30,906	28,182
Currency translation	5,666	9,577
Manz AG shareholders	185,145	186,452
Minority interests	1,526	1,476
	186,671	**187,928**
Non-current liabilities		
Non-current financial debt	8,657	4,390
Non-current deferred investment subsidies	397	332
Financial liabilities from leases	104	39
Provisions for pensions	3,911	3,951
Other non-current provisions	1,401	1,532
Deferred tax liability	13,024	8,405
	27,494	**18,649**
Current liabilities		
Current financial liabilities	38,420	9,794
Trade payables	55,581	51,535
Advance payment received	7,587	4,246
Tax liabilities	352	47
Other current provisions	3,245	3,363
Other liabilities	5,612	7,433
Financial liabilities from leases	17	4
	110,814	**76,422**
Total shareholders' equity and liabiliteies	**324,979**	**282,999**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	Jan. 1 to June 30, 2011	Jan. 1 to June 30, 2010
Cash flow from operating activities		
Net income	2,875	–664
Amortization/depreciation of non-current assets	4,763	3,431
Losses (+)/gains (-) from equity-accounted investment	0	36
Increase (+)/decrease (-) in provisions in pensions and other non-current provisions	–171	–935
Other non-cash income (-) and expenses (+) particularly deferred taxes	–349	132
Cash flow	**7,118**	**2,000**
Gains (-)/losses (+) from disposal of assets	49	–1
Increase (-)/decrease (+) in invetories, account receivable and other assets	–20,914	–33,873
Increase (+)/decrease (-) in trade payables and other liabilities	1,721	26,600
	–12,026	**–5,274**
Cash flow from investing activities		
Proceed from the disposal of assets	27	5
Payments to acquire intangible assets and property, plant, and equipment	–13,431	–6,205
Payments for the acquisition of consolidated companies, minus liquid assets acquired	0	–1,056
Inflows from the disposal of securities	0	8,326
Outflows from the purchase of securities	0	–14,590
	–13,404	**–13,520**
Cash flow from financing activities		
Purchase of own shares	0	–125
Payments for the redemption of finance leases	–3	–10
Incoming payments from issuing non-current loans	4,584	0
Payments for the repayment of non-current loans	–144	–39
Change in overdraft facilities	28,626	11,224
	33,063	**11,050**
Cash and cash equivalents – end of period		
Cash change in cash and cash equivalents (subtotal 1–3)	7,633	–7,744
Net change in cash and cash equivalents due to currency translation	–1,747	986
Cash and cash equivalents on Jan. 1	38,902	59,331
Cash and cash equivalents on June 30	**44,788**	**52,573**
Composition of cash and cash equivalents		
Cash and cash equivalents	44,788	52,573
Cash and cash equivalents on June 30	**44,788**	**52,573**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of June 30, 2011

(in EUR tsd.)	Subscribed capital	Share premium	Own shares	Revenue reserves: Retained profits	Revenue reserves: Market valuation	Currency translation	Shareholders of Manz AG	Minority interests	Total equity
As of Jan. 1, 2010	**4,480**	**144,226**	**0**	**26,397**	**100**	**2,001**	**177,204**	**1,826**	**179,030**
Total comprehensive income for the period				–714	–272	7.189	6,203	229	6,432
Purchase of own shares			–125				–125		–125
Share-based compensation		132					132		132
As of June 30, 2010	**4,480**	**144,358**	**–125**	**25,683**	**–172**	**9,190**	**183,414**	**2,055**	**185,469**
As of Jan. 1, 2011	**4,480**	**144,213**	**0**	**28,182**	**0**	**9,577**	**186,452**	**1,476**	**187,928**
Total comprehensive income for the period				2,722	0	–3,911	–1,189	58	–1,131
Share-based compensation		–120		0			–120		–120
Change in non-controlling interests as a result of increased interests				2			2	–8	–6
As of June 30, 2011	**4,480**	**144,093**	**0**	**30,906**	**0**	**5,666**	**185,145**	**1,526**	**186,671**

SEGMENT REPORTING FOR DIVISION

as of June 30, 2011

(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+Q2/2010	28,985		–2,433	65,412	4,824	**60,588**	3,320	1,158	343
Q1+Q2/2011	45,957		–2,448	142,444	12,205	**130,239**	10,668	1,832	480
FPD									
Q1+Q2/2010	18,990		775	65,284	27,533	**37,751**	332	691	291
Q1+Q2/2011	42,518		3,764	62,351	36,184	**26,167**	365	748	426
New Business									
Q1+Q2/2010	1,858		–19	5,580	1,202	**4,378**	114	55	22
Q1+Q2/2011	2,969		260	6,812	1,336	**5,476**	644	252	38
PCB / OEM									
Q1+Q2/2010	12,257		104	24,618	6,432	**18,186**	1,032	624	422
Q1+Q2/2011	29,765		1,157	32,372	8,266	**24,106**	508	821	466
Others									
Q1+Q2/2010	5,424	5,162	32	4,469	2,762	**1,707**	347	195	92
Q1+Q2/2011	8,584	9,198	805	8,608	10,009	**–1,401**	205	219	97
Central functions/other									
Q1+Q2/2010	0			102,313	39,454	**62,859**	1,060	708	270
Q1+Q2/2011	0			72,392	70,308	**2,084**	1,041	891	335
Consolidation									
Q1+Q2/2010		–5,162							
Q1+Q2/2011		–9,198							
Group									
Q1+Q2/2010	67,514	0	–1,541	267,676	82,207	**185,469**	6,205	3,431	1,440
Q1+Q2/2011	129,793	0	3,538	324,979	138,308	**186,671**	13,431	4,763	1,842

SEGMENT REPORTING FOR REGIONS

as of June 30, 2011

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
Germany		
Q1+Q2/2010	8,611	26,205
Q1+Q2/2011	13,339	67,953
Rest of Europe		
Q1+Q2/2010	7,544	7,214
Q1+Q2/2011	22,740	12,988
Asia		
Q1+Q2/2010	49,806	37,336
Q1+Q2/2011	89,724	37,705
USA		
Q1+Q2/2010	1,300	93
Q1+Q2/2011	3,813	95
Other Regions		
Q1+Q2/2010	253	1,520
Q1+Q2/2011	177	1,908
Group		
Q1+Q2/2010	67,514	72,368
Q1+Q2/2011	129,793	120,649

NOTES

BASIC PRINCIPLES

The current consolidated interim financial statements for the period ending June 30, 2011, 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 June 30, 2011, correspond to the same methods used for the consolidated financial statements for the 2010 fiscal year.

Consistent with IAS 34, a condensed version of Manz AG's consolidated financial statements has been selected for the period ending June 30, 2011, compared to the consolidated financial statements for the fiscal year ending December 31, 2010.

In addition to an income statement, these financial statements also include a statement of comprehensive income for the period, a statement of financial position, a consolidated statement of cash flows, as well as a condensed consolidated statement of changes in equity.

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 in the interim management report.

The following is a list of the currencies most relevant to Manz, as well as their euro exchange rates:

EXCHANGE RATES OF MOST IMPORTANT CURRENCIES

		Exchange Rate On:		Average Rate During:	
(in EUR)		**June 30, 2011**	**December 31, 2010**	**Jan. 1 to June 30, 2011**	**Jan. 1 to June 30, 2010**
USA	USA	1.4391	1.3253	1.4032	1.3305
Taiwan	TWD	41.6185	38.9638	40.8266	42.4525
Hong-Kong	HKD	11.2583	10.3247	10.9285	10.3546
China	CNY	9.3023	8.7626	9.1868	9.0688
Hungary	HUF	267.7140	280.0290	270.2385	272.1164

BASIS OF CONSOLIDATION

Manz AG's (formerly Manz Automation AG) consolidated financial statements include all the companies for which Manz AG can either directly or indirectly determine said company's financial and operational 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 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%**
Axystems Ltd.	Petah Tikva, Israel	**100.0%**
Manz Asia Ltd.	Hong Kong, China	**100.0%**
Manz Chungli Ltd. [1]	Zhongli City, Taiwan	**100.0%**
Manz Automation Co. Ltd. (Shanghai) [1]	Shanghai, China	**100.0%**
Manz China WuZhong Ltd. [1]	Suzhou, China	**100.0%**
Manz China Suzhou Ltd. [1]	Suzhou, China	**100.0%**
Manz Automation India Private Limited [1]	New Delhi, India	**75.0%**
Manz Taiwan Ltd. [1]	Zhongli City, Taiwan	**97.1%**
Manz (B.V.I.) Ltd. [2]	Road Town, British Virgin Islands	**97.1%**
Intech Machines (B.V.I.) Co. Ltd [2]	Road Town, British Virgin Islands	**97.1%**
Intech Machines (Shenzhen) Co. Ltd [3]	Shenzhen, China	**97.1%**

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

KEY EVENTS IN THE PERIOD UNDER REVIEW

During the first six months of 2011, the Manz Group's revenues rose by 92.3 % compared to the same period last year – from 67.5 million euros to 129.8 million euros. Total operating revenues increased by 83.3 % to 142.3 million euros.

Earnings before interest and taxes (EBIT) improved from –1.5 million euros in the same period last year to 3.5 million euros this year.

NOTES TO INDIVIDUAL ITEMS ON THE INCOME STATEMENT

OTHER OPERATING INCOME

(in EUR tsd.)	**June 30, 2011**	**June 30, 2010**
Capital gains	789	451
Income from the reduction of reserves	438	568
Income from the release of provisions	676	1,603
Income from the sale of investments	11	1
Subsidies	80	135
Changes to write-downs on accounts receivable	30	1,217
Other	289	180
	2,312	**4,155**

MATERIAL EXPENDITURE

(in EUR tsd.)	**June 30, 2011**	**June 30, 2010**
Cost of raw materials, supplies, and purchased goods	85,039	42,558
Expenditure on third-party services	4,830	3,384
	89,869	**45,942**

OTHER OPERATING EXPENSES

(in EUR tsd.)	June 30, 2011	June 30, 2010
Rent and leasing	2,579	2,353
Other operating costs	1,119	899
Employee benefit costs	914	550
Advertising and travel expenses	3,142	1,627
Outgoing freight, packaging	1,366	482
Legal and consultancy costs	467	717
Insurance	294	291
Capital losses	217	413
Losses on accounts receivable	41	32
Other	4,205	3,889
	14,343	**11,253**

TAXES ON INCOME

Income taxes include both actual and deferred income taxes arising from temporary differences and existing tax loss carry-forwards.

Income taxes consist of the following items:

(in EUR tsd.)	June 30, 2011	June 30, 2010
Current tax expense/income (–)	1,045	393
Deferred tax expense/income (–)	–712	–877
	333	**–484**

NOTES TO THE INDIVIDUAL ITEMS ON THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Licenses, software and similar rights, and assets	32,547	34,720
Capitalized development costs	27,944	21,920
Goodwill	23,809	24,960
Advance payments	9,851	8,399
	94,151	**89,999**

TANGIBLE ASSETS

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Property and buildings including buildings on third-party properties	16,618	14,732
Technical equipment and machinery	4,590	4,757
Other equipment, furniture and office equipment	3,923	4,033
Advance payments	653	114
	25,783	**23,636**

INVENTORIES

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Raw materials and supplies	27,599	22,298
Goods in process, work in progress	29,829	24,480
Finished goods, products	1,185	884
Advance payments	6,942	2,332
	65,555	**49,995**

ACCOUNTS RECEIVABLE

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Future receivables from non-current construction contracts	32,035	23,662
Accounts receivable	44,201	43,392
	76,236	**67,054**

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

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Manufacturing costs, including outcome of the contract for non-current construction contracts	52,365	54,075
minus advance payments received	–20,330	–30,413
	32,035	**23,662**

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	June 30, 2011	Dec. 31, 2010
Tax receivables (not income taxes)	3,258	2,810
Receivables, personnel	389	231
Other accruals and deferrals (primarily from insurance)	144	496
Other	834	973
	4,625	**4,509**

EQUITY

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

SHARE CAPITAL

Share capital totals 4,480,054 euros (December 31, 2010: 4,480,054 euros), divided into 4,480,054 registered, common, no-par shares. The face value of a no-par share equals 1.00 euro.

There were no changes in share capital in the first half of 2011.

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 half of 2011, expenses totaling 91,000 euros were incurred as a result of the Performance Share Plan, and are disclosed under personnel expenditures. Due to the 6,665 share options that lapsed in the reporting year from the second tranche in the 2009 fiscal year, cumulative expenses recognized in capital reserves totaling 211,000 euros have been liquidated in profit and loss and reported under personnel expenses.

CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

There have been no significant changes to other financial obligations and contingencies which existed on December 31, 2010.

RELATIONS TO RELATED PARTIES

Compared to December 31, 2010, the group of related companies and people has remained unchanged.

Between January 1 and June 30, 2011, Manz AG purchased laser systems with a value of 1,709 million 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 June 30, 2011, Manz held liabilities to the TRUMPF Group totaling 277,000 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 June 30, 2011, the Manz Group had an average of 1,842 employees (June 30, 2010: 1,440 employees).

MANAGING BOARD

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

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, Vice-Chairman
Prof. Dr.-Ing. Michael Powalla, Head of the Solar Division and Member of the Managing Board at the Baden-Württemberg Center for Solar Energy and Hydrogen Research, as well as professor of thin-film photovoltaics at the Karlsruhe Institute of Technology (KIT), Light Technology Institute, Faculty of Electrical Engineering and Information Technology (since June 28, 2011)
Prof. Dr.-Ing. Dr. h.c. mult. Rolf D. Schraft (until June 28, 2011)

Reutlingen, August 10, 2011
The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

Volker Renz

AUDITOR'S STATEMENT AFTER CONDUCTING AN AUDITOR'S REVIEW

To Manz AG, Reutlingen:

We have reviewed Manz AG's (formerly Manz Automation AG) condensed consolidated interim financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, a condensed statement of changes in equity, and select explanatory notes – and the company's consolidated interim management report for the period from January 1, 2011, to June 30, 2011, which, pursuant to Article 37w of the German Securities Trading Act, are all components of a company's semi-annual financial statements. The company's legal representatives are responsible for preparing these condensed consolidated financial statements in accordance with the IFRS for interim financial statements as approved for use in the EU, and are also responsible for preparing the consolidated interim management report pursuant to the regulations governing consolidated interim reports as set forth in the German Securities Trading Act. Our responsibility is to issue a statement on the condensed consolidated interim financial statements and on the interim Group management report on the basis of our review.

We conducted our review of the company's condensed consolidated interim financial statements and consolidated interim management report in accordance with the German principles of reviewing financial reports as set forth by the German Institute of Chartered Accountants (Institut der Wirtschaftsprüfer in German, or IDW for short). These standards require that we plan and perform the review in such a way that we can, through critical evaluation, state with some level of certainty that in all material aspects, the condensed consolidated interim financial statements were prepared in accordance with the IFRS for interim financial statements as approved for use in the EU, and that the consolidated interim management report was prepared pursuant to the regulations governing consolidated interim reports as set forth in the German Securities Trading Act. An auditor's review is limited primarily to interviewing company employees and analytical evaluations, and therefore does not provide the level of assurance attained when conducting a complete audit of a company's annual financial statements. Since we were not tasked with conducting a complete audit of the financial statements, we cannot issue an auditor's opinion.

While conducting our review, we did not discover any information which would lead us to believe that the condensed consolidated interim financial statements, in all material aspects, were not prepared in accordance with the IFRS for interim financial statements as approved for use in the EU, nor did we find anything which would lead us to believe that the consolidated interim management report was not prepared pursuant to the regulations governing consolidated interim reports as set forth in the German Securities Trading Act.

Reutlingen, August 10, 2011

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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, August 10, 2011

The Managing Board of Manz AG

Dieter Manz Chief Executive Officer	Martin Hipp	Volker Renz

RESPECT YIELDS SUCCESS

WE ARE SUCCESSFUL TOGETHER. BECAUSE THE DEDICATION AND KNOWLEDGE OF EACH AND EVERY INDIVIDUAL PLAYS A CRUCIAL ROLE.
MANZ – PASSION FOR EFFICIENCY

ANJA FREUDIGMANN, HUMAN RESOURCES ADMINISTRATOR, MANZ REUTLINGEN

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