Impulses

9-MONTH REPORT 2015

Manz AG at a glance

2015 Financial Calendar

November 23–25, 2015	2015 German Equity Forum

Overview of consolidated net profits

(in million euros)	Jan. 1 to Sept. 30, 2015	Jan. 1 to Sept. 30, 2014	Change in %
Revenues	169.0	250.9	–32.6
Total operating revenues	181.9	250.4	–27.4
EBITDA	–20.6	19.6	–
EBITDA margin (in %)	–	7.8	–
EBIT	–30.1	1.5	–
EBIT margin (in %)	–	0.6	–
EBT	–32.1	0.2	–
Consolidated net profit (loss)	–33.8	–0.8	–
Earnings per share (in euros)	–6.5	–0.2	–
Cash flow from operating activities	–59.8	11.1	–
Cash flow from investing activities	–18.4	–15.6	–
Cash flow from financing activities	83.0	–24.1	–

	Sept. 30, 2015	Dec. 31, 2014	Change in %
Total assets	309.0	253.6	+21.8
Shareholders' equity	148.2	140.0	+5.9
Equity ratio (in %)	48.0	55.2	–13.0
Financial liabilities	74.2	32.3	+129.7
Liquid funds	28.9	23.2	+24.6
Net debt	45.4	9.2	+393.5

MANZ AG MISSION STATEMENT

As a high-tech equipment manufacturer, our goal is to develop equipment and systems for fast-growing industries around the world. With our claim "passion for efficiency," we are making a service promise to offer our customers – companies in fast-growing future markets – increasingly efficient production equipment. Global proximity to customers and extensive technological expertise are the foundation of our company, and they enable us to continually optimize our range of products in line with industry requirements. This makes the Manz Group an important innovation leader – for breakthroughs in key technologies, such as the production of sustainable energy and stationary power storage, displays and devices for global communication needs, and e-mobility. On the basis of our extensive expertise in the technology sectors automation, laser processing, vacuum coating, printing and coating, metrology, wet chemistry, and roll-to-roll, there are application opportunities for our solutions in numerous industries. Currently we are concentrating our research and development activities on production systems for our strategic business segments Electronics, Solar and Energy Storage. The spirit of invention spurs us on each and every day – it is what makes our company's dynamic growth possible.

WE SET THE PACE FOR BRINGING NEW TECHNOLOGIES FORWARD

More powerful displays, printed circuit boards, and other core components for smartphones, notebooks and tablet computers; more efficient lithium-ion batteries for stationary energy storage, e-mobility, and consumer electronics; and solar modules with the highest degree of efficiency: With our solutions we are creating vital impulses so that new technologies and products can become quickly established and inexpensively produced.

We focus on fast-growing markets where product life cycles are short and continuous innovation is a must. Our fast deployment and successful cross-industry knowledge transfer let us react immediately to changing conditions and create clear competitive advantages for our customers.

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THE HISTORY OF MANZ AG

Entered the thin-film market with equipment for mechanically scribing solar panels → 2005

Company founded by Dieter Manz → 1987

Became leading supplier of systems for wet-chemical processes by acquiring Intech, Taiwan

Shipped the first automation solution for the FPD industry to Asia → 1994

IPO on the Entry Standard market of the Frankfurt Stock Exchange → 2006

Developed the first automation system for processing crystalline solar cells in a pilot manufacturing project → 1988

Entered the market for lithium-ion batteries

Shipped the first automation system for a completely automated production line for crystalline solar cells → 2002

1987

Acquisition of mechanical engineering division of Kemet Electronics Italy (formerly Arcotronics) for enlargement of technology portfolio in Battery division → 2014

→ 2008

Acquisition of KLEO, a company of the Zeiss Group, expansion of the technology portfolio by the addition of "laser direct imaging" → 2015

Manz Coating GmbH founded – development center for vacuum-coating technology → 2010

Acquired the CIGS innovation line from Würth Solar

Opened facility for solar and display production systems in Suzhou, China → 2012

→ 2009

Manz becomes global leading equipment supplier for the touch panel production

First order from AMOLED display industry → 2013

2015

TO OUR SHAREHOLDERS

LETTER FROM THE MANAGING BOARD

Dear Shareholders,

Contrary to our original plans for the year 2015, our revenue and earnings trend in the first nine months of 2015 proved to be disappointing. Already the first six months were mainly characterized by delays in incoming orders as well as the cancellation of an order and the associated effects. Based on concrete customer discussions, we had expected significantly better business developments for the third quarter. But it was particularly the cooling Chinese economy as well as the developments on the Chinese capital markets that again led to significant delays in orders in the Energy Storage and Electronics segment. As a result, we have reduced our forecast for the full year on October 26, 2015 and now expect revenues between 200 and 210 million euros and negative earnings before interest and taxes (EBIT) in the mid tens of million range.

Overall, we are confronted in this fiscal year with cancellations and delays of orders with a total volume of around 140 million euros. Group revenues in the first nine months of 2015 therefore came to 169.0 million euros and thus were well below the level of the previous year (250.9 million euros). This low revenue basis is also a key factor in the negative development of earnings. As of the beginning of the year 2015, we were still anticipating an increase in revenues to around 320 to 340 million euros and accordingly aligned our Group structures for growth. Associated with this are also future investments such as increased personnel expenses as a result of intensified sales activities and the successful integration of Manz Italy and KLEO Halbleitertechnik GmbH. As a result of this constellation – significantly lower revenues than planned with a simultaneously increased cost basis – we generated earnings before interest, taxes, and depreciation and amortization (EBITDA) in the amount of –20.6 million euros (previous year: 19.6 million euros) on the operating side after the first nine months of 2015. Earnings before interest and taxes (EBIT) amounted to approximately –30.1 million euros (previous year: 1.5 million euros).

As a direct consequence, and with external support, we have now initiated a restructuring program, the essential measures of which and the associated expenditures will be presented on December 10, 2015. The goal of these measures is to adapt the global cost structure in order to be able to achieve on the basis of conservative plans for the year 2016 at least break-even and to be able to grow again on this basis. In this context, we will focus in the future on the growth markets Electronics and Energy Storage. On the other hand we are examining options for the Solar segment since negotiations concerning the sale of a CIGS*fab* are drawing out longer than expected. The goal is that beginning with the fiscal year 2016, no further cost burden will arise from this segment.

We continue to assess our prospects in our strategic target industries as positive and see definite opportunities for our company to be able to grow again in this environment. We intend to make a profit from the potentials of Manz AG and our target industries. It will be critical for the success of our company that in connection with the restructuring process,

planning certainty and transparency be significantly increased within the Group. The necessary restructuring measures will make high demands on all involved parties in the entire company. But we are convinced that together we will be able to meet the challenge.

At this point, we would like to extend a special thanks to our employees, who through their commitment, flexibility and inventiveness have made a crucial contribution to the growth of our company over the past years.

Reutlingen, November 2015

The Managing Board

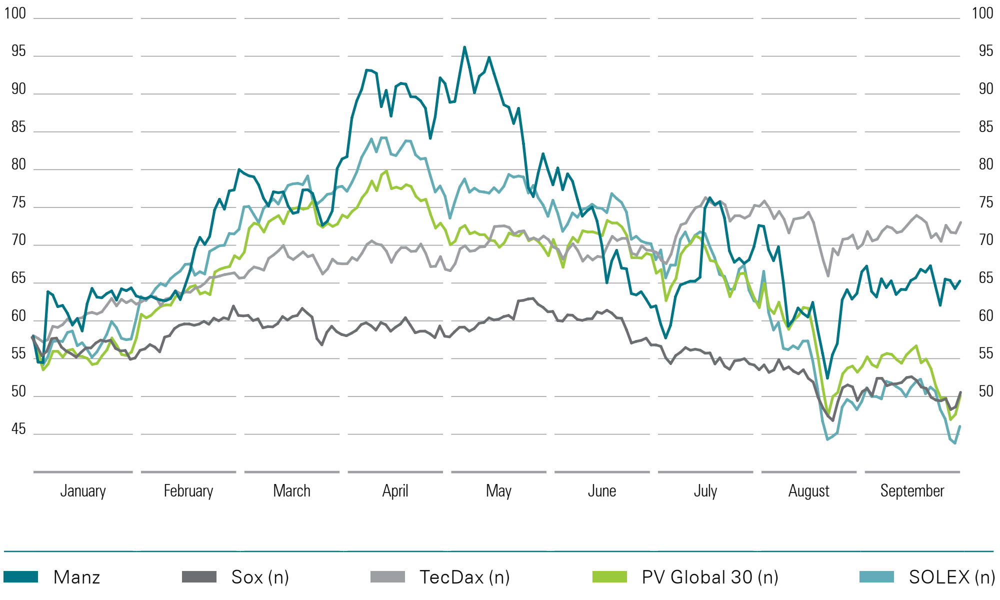
Dieter Manz | Martin Hipp | Martin Drasch

MANZ AG STOCK

PRICE PERFORMANCE (JANUARY 1, 2015 – SEPTEMBER 30, 2015)

The Manz share began the 2015 fiscal year on January 2, 2015, with a closing price of 57.66 euros. Following a brief period of falling prices at the beginning of the year, the share recovered and remained at a price level slightly above 60 euros per share until the middle of February. By the beginning of March, the share was able to rise strongly, and on March 3, 2015 was quoted at 79.84 euros. Following a consolidation phase, the share cleared the next hurdle, and on May 11, 2015 achieved the high for the period under review of 96.12 euros. Then the stock again pulled back, closing at 57.45 euros on July 8, 2015, the interim low. Following a brief recovery, the share again lost value and on August 24, 2015 reached the lowest value in the period under review at 52.10 euros. The closing value on September 30, 2015 was 65.02 euros.

Chart Showing Manz AG Stock January 1 to September 30, 2015 (XETRA, in EUR)



In the period under review, the Manz share achieved a price increase of around 13%. A comparison with the reference indices shows that the performance of the Manz share was only surpassed by the TecDAX. The other three reference indices – the World Solar Energy TR Index (SOLEX) of the Société Générale, the Photovoltaik Global 30 Index (PV Global 30) of Deutsche Börse AG and the Semiconductor Sector Index (SOX) of the Philadelphia Stock Exchange – closed slightly below the beginning of the period and thus well under the Manz share.

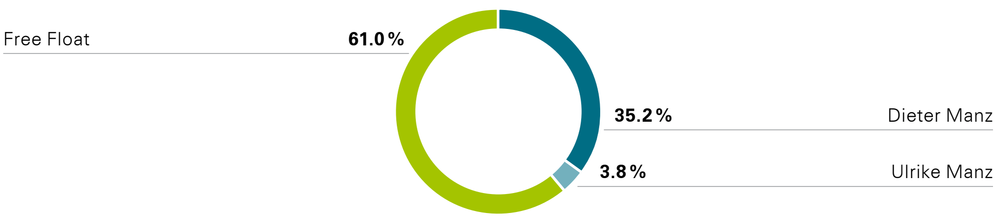
Stock Key Data and Performance Indicators

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	**5,420,864 EUR**
IPO	September 22, 2006
Opening Price	19.00 EUR
Stock Price at the Beginning of the Reporting Period*	57.66 EUR
Stock Price at the End of the Reporting Period*	65.02 EUR
Change (in percent)	**12.76 %**
Annual High	96.12 EUR
Annual Low	52.10 EUR

* Closing prices on Deutsche Börse AG's XETRA trading system

Currently at 61.0 %, Manz AG has a large number of shares in free float and has a wide shareholder base. As of September 30, 2015, company founder and chairman of the Managing Board, Dieter Manz, holds a total of 35.2 % of Manz's stock. In addition, Ulrike Manz holds 3.8 % of the company's shares.

Shareholder Structure

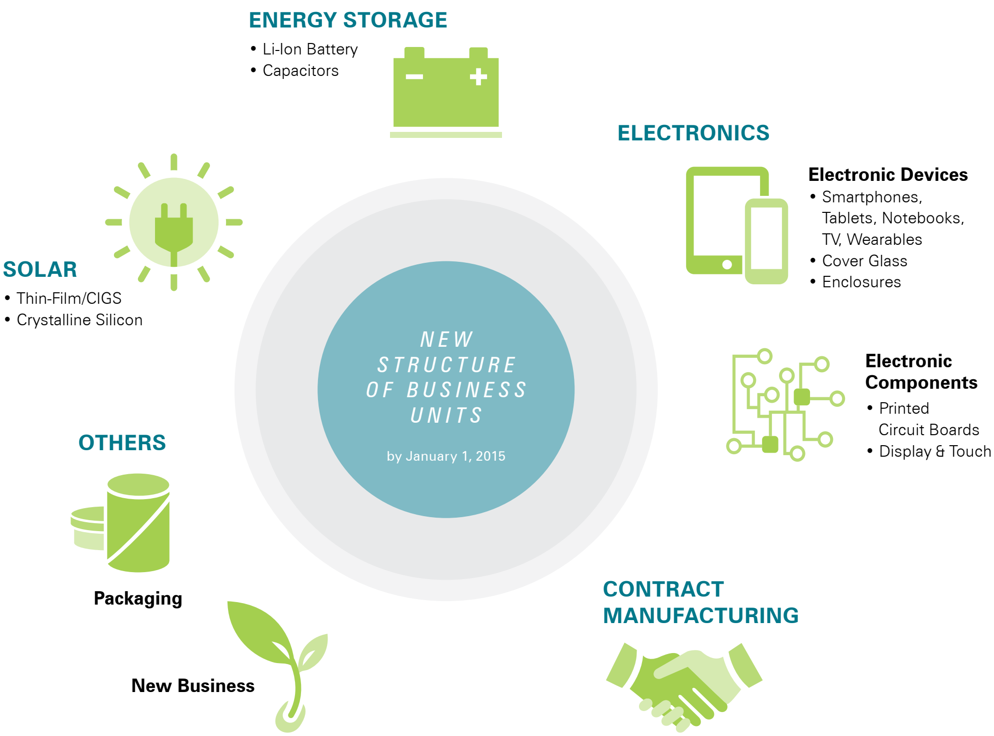


GROUP INTERIM
MANAGEMENT REPORT

BASIC INFORMATION ON THE GROUP

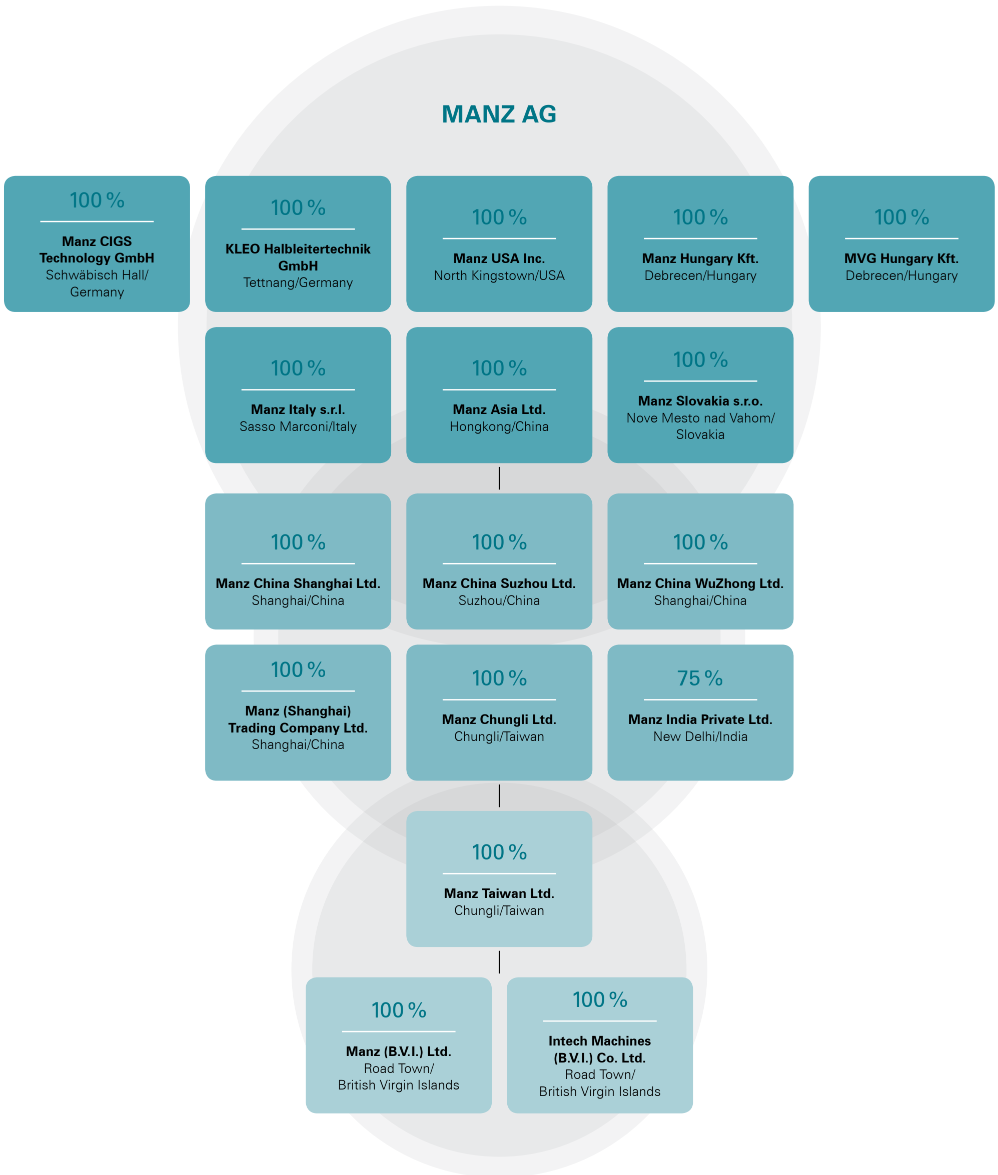
BUSINESS MODEL INCLUDING GOALS AND STRATEGY

Manz AG, founded in 1987, is an internationally leading high-tech equipment manufacturer with a global presence. The company offers its customers in growth and sunrise industries highly efficient production processes and in the years gone by has successfully established itself as a sought-after development partner of industry. With innovative production solutions, Manz AG is a pioneer for the further development and breakthrough of key technologies of today's world. With extensive expertise in automation, laser processing, vacuum coating, metrology, wet chemistry, printing and coating and roll-to-roll processes, Manz AG focuses on the three strategic business segments Electronics, Solar and Energy Storage. To secure medium-term and long-term success, Manz AG will also continue to be rigorous in the future in its pursuit of cross-industry technology transfer, the diversification of its business model and the internationalization of the company.



GROUP STRUCTURE AND HOLDINGS

Altogether, 18 companies are included in Manz AG's consolidated financial statements as of September 30, 2015, and are therefore fully consolidated. On the reporting date, Manz AG, as the Group's parent company, held a 100 % interest in six international subsidiaries and two domestic subsidiaries located in Schwäbisch Hall and Tettnang. Two of the foreign subsidiaries are based in Hungary and one subsidiary each in Italy, the USA, Slovakia, and Hong Kong. In addition, the company has a 100 % stake in four second-tier subsidiaries in China and one in Taiwan. A 75 % second-tier subsidiary exists in India. Manz AG also has a 100 % stake in a third-tier subsidiary in Taiwan and two fourth-tier subsidiaries in the British Virgin Islands.

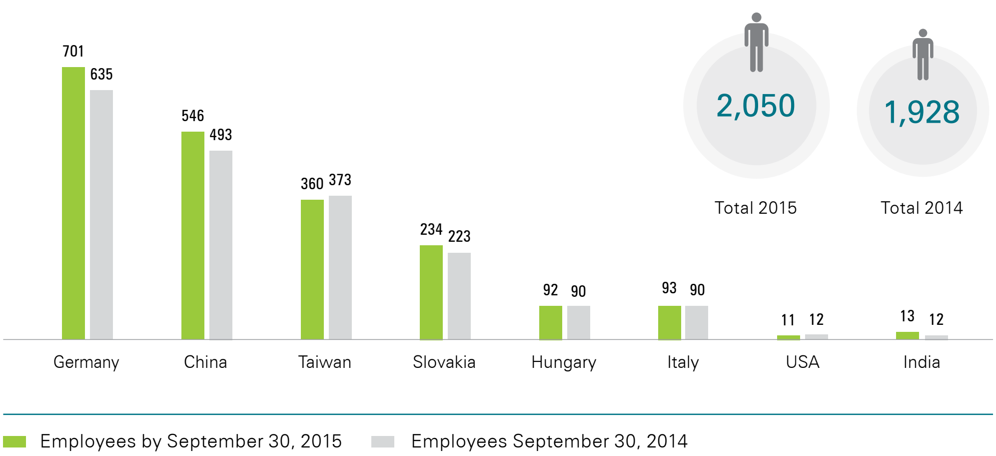


LOCATIONS AND EMPLOYEES

Qualified and motivated employees provide the basis of Manz AG's long-term success. As of September 30, 2015, Manz employed a total workforce of 2,050 (previous year: 1,928) both in Germany and abroad, of which 701 employees worked at the German locations. Based on the number of employees, the largest subsidiary in the Group is Manz China Suzhou Ltd. in China, with 531 employees, followed by Manz Taiwan Ltd. in Taiwan, with 360 employees, and Manz Slovakia s.r.o., with 234 employees.

The continuous expansion of its technology and product portfolio, with more than 500 qualified engineers, technicians and scientists, as well as having a strong local presence in the main sales region of Asia both remain central components of the company's strategic positioning and are reflected in its employee structure.

Employees by country



CONTROL SYSTEM AND PERFORMANCE INDICATORS

The following major performance indicators are used for Group-internal control purposes: Revenue, EBITDA and EBITDA margin, EBIT and EBIT margin, equity ratio and liquidity. Manz reports on the development of the control indicators in respect of defined target values on an annual basis. For more detailed information about this, please refer to the section "Control System and Performance Indicators" in Manz AG's 2014 Annual Report, which can be viewed on Manz AG's website (www.manz.com).

Locations and Employees

LOCATIONS

1 **Germany**
Reutlingen, Tübingen, Tettnang, Karlstein, Schwäbisch Hall, Leipzig
Production, Sales & Service

2 **Hungary**
Debrecen
Production & Service

3 **Slovakia**
Nove Mesto nad Vahom
Production, Sales & Service

4 **Italy**
Sasso Marconi
Production, Sales & Service

5 **USA**
North Kingstown, Cupertino
Sales & Service

6 **Taiwan**
Taoyuan, Taichung, Tainan
Production, Sales & Service

7 **South Korea**
Seoul, Incheon, Daegu
Sales & Service

8 **China**
Shanghai, Suzhou, Wuxi, Yingkuo, Huaian, Jiangyin, Ningbo, Longhua, Xiamen
Production, Sales & Service

9 **India**
New Delhi, Calcutta, Bangalore, Hyderabad
Sales & Service

RESEARCH AND DEVELOPMENT

Research and development is a key component for the successful expansion of Manz AG's cross-industry technology and product portfolio. In order to further strengthen Manz's position as a company driving innovation in growth industries, research and development (R&D) activities again play an important role for the company in the 2015 fiscal year. With over 500 engineers, technicians and scientists at its development facilities in Germany, Italy, Slovakia, Taiwan and China, Manz AG will focus on the main technologies in its Electronics, Solar and Energy Storage business segments and accelerate the cross-industry integration of these core competencies in order to achieve synergy effects and economies of scale.

Manz AG had a total ratio of research costs to sales of 12.5 % (previous year: 5.7 %) in the reporting period. If we consider only capitalized development costs, the ratio of research costs to sales comes to 6.5 % (previous year: 2.1 %). In order to provide sustained and long-term consolidation of its excellent technological positioning in the relevant target markets and its innovativeness, Manz AG is striving for an annual ratio of research costs to sales of 6.5 % on average.

BUSINESS REPORT

MACROECONOMIC ENVIRONMENT AND INDUSTRY-RELATED CONDITIONS

Economic Market Environment

Following growth of the global economy in 2014 of 3.5 %, the Kiel Institute for the World Economy (IfW) is expecting a marginally weaker rise of 3.3 % in this year, with higher growth rates being expected for the advanced economies. While the emerging markets will benefit from the stronger demand in the advanced economies, the experts of the IfW also see considerable economic as well as structural pressures in leading emerging countries and regions such as China, Russia, and Latin America. For the European Union, the economists of the IfW expect an increase in GDP of 1.5 % for the year 2015; the gross domestic product (GDP) in Germany is expected to increase by 1.8 % in 2015.

Economic development in Asia and in the People's Republic of China, in particular, is of major importance to Manz AG as this is its principal sales region. According to the IfW, a lower growth of 6.6 % is expected in the year 2015 in comparison with the previous year. The experts forecast for the United States, the largest economy in the world, a GDP growth of 2.2 % for the year 2015.

Electronics Segment

In its Electronics business segment, Manz AG offers production solutions in the manufacture of displays for LCD and OLED flat screens and touch sensors, for the manufacture of printed circuit boards and chip carriers and for the manufacture of smartphones, tablet computers, laptops and other consumer electronics.

For the global market for flat panel displays (FPD), the market research institute NPD DisplaySearch expects an increasing demand in the coming years. The reason for this is the increasing screen size in televisions, smartphones, laptops and displays for the automotive industry. Accumulated display deliveries for all FDP applications in the year 2014 came to around 170 million square meters; for the current year 2015, a 5 % growth of demand is forecast. For the coming years as well, industry experts see further growth: Up to the year 2020, the FPD demand is expected to increase to 223.6 million square meters, with an average annual growth rate (CAGR) of 5 %. Accordingly the market research institute IHS expects record sales for suppliers of corresponding production equipment. Accordingly, investments in new equipment in 2015 will increase for the third year in a row and will reach 9.1 billion USD. IHS considers the factors for these high investments as being based on the rising demand for LCD and AMOLED displays for smartphones and large-screen TVs. Due to improvements in production processes, the costs of AMOLED displays will thus fall in the medium term below those of LCD displays and make a corresponding contribution to the spread of AMOLED technology. IHS already expects a significant increase in AMOLED technologies in the second half of 2015. At the same time, IHS sees the next market trend emerging in technologies for flexible displays. This expectation is based on significantly increasing patent applications in this field. In the United States alone, 312 patents dealing with flexible displays were applied for in the year 2014 – which represents 62 % of all patents associated with displays. The advantages of flexible displays – greater robustness, lower weight, reduced thickness and also better mobility – in the opinion of the Institute will lead to completely new applications on the display market.

Industry experts are positive for the market for smartphones for the current year. Following a difficult year in 2014, the market for tablet computers in the opinion of the market research institute Gartner will grow in the current year 2015 by around 8 % to 233 million sold devices. For 2016, Gartner expects further growth of sales figures by around 11 % to 259 million units – and is positive with regard to the market development of the coming years. According to a forecast of the market research institute CSS Insight, the smartphone market will continue to grow in the next few years, but at lower rates. Following 1.24 billion devices being sold in the year 2014, CSS Insight expects unit sales of 1.89 billion by 2018. This represents an average annual growth rate of 13 %. And also for the market of smart watches, the IHS expects a five-fold increase in the market volume. In the opinion of the institute, the high customer demand for the Apple watch is the primary cause of this.

The printed circuit board market developed positively for the German industry in the previous year of 2014. For 2015, the Zentralverband der Elektrotechnik- und Elektronikindustrie e.V. (ZVEI) forecasts revenues for the German market of 1.53 billion euros (2014: 1.42 billion euros), which represents growth of 7.7 %. ZVEI puts the global market in the current year at 61.7 billion USD (2014: 60.9 billion USD), which is equivalent to growth of 1.3 %. The largest share at 41.7 billion USD will go to the Asian/Pacific region, followed by Japan (7.3 billion USD), Europe (6.2 billion USD), America (6.0 billion USD) and Africa (0.5 billion USD).

With its established production locations in Taiwan and China, Manz AG is active in hot spots of the target industries. Cross-industry technology transfer and target-oriented research and development activities enable Manz to provide innovative and customer-specific production solutions in both tried-and-tested and new technologies. With this strategy, Manz AG views itself as being well positioned to be able to further expand its strong market position and to benefit from future opportunities.

Solar Segment

As a high-tech equipment manufacturer, Manz AG offers the industry innovative production solutions for crystalline solar cells and thin-film solar modules.

According to the market research institute IHS, the demand for solar cells in 2015 will increase in at least 89 countries worldwide. Following around 50 GW of newly installed capacity in the year 2014, it will increase in the current year of 2015 by another approximately 30 % and exceed 60 GW.

Also for the coming years the market research group IHS is assuming strong growth for the PV industry. By 2019 the experts expect an expansion of the cumulative installed power worldwide to almost 500 GW, which corresponds to an increase of 177 % over the level of 2014. The annual demand in 2019 accordingly will come to 75 GW in 2019, with China and Japan accounting for half of the demand. In addition, the IHS expects that in the years up to 2019, eleven other markets worldwide will have an average annual demand of more than 1 GW and thus will contribute to the general stability of the demand situation on the PV market.

NPD Solarbuzz puts the potential revenue for mechanical engineering in the solar industry at 10 billion USD through the year 2017. It is expected that there will continue to be a variety of different technologies. With a predicted doubling of the worldwide PV demand every four years, the experts continue to see crystalline solar cells as having the largest market share. Up to 2019, the market share of thin-film solar modules as an alternative technology is expected to remain stable at the 2014 level of 7 %. CIGS thin-film solar technology will have increasing significance within thin-film technologies.

Energy Storage Segment

In its Energy Storage business segment, Manz AG focuses on production equipment for lithium-ion battery cells and battery systems as well as for capacitors, which are used in the fields of consumer electronics, e-mobility and stationary power storage.

Experts from the market research institute Lux Research expect a quadrupling of the total global market for lithium-ion batteries from 17.6 billion USD in 2013 to around 70 billion USD by 2020. According to Lux Research, lithium-ion batteries are currently mainly being sold in the form of consumer electronics such as smartphones and tablet computers. For this segment alone, Lux Research is expecting lithium-ion batteries to achieve a sales volume of 25 billion USD in 2018. This is also confirmed by the market research and analysis company Frost & Sullivan, which considers that the fields of “mobile communication” and “computing devices” will be the main drivers of growth over the next three to four years. Frost & Sullivan are expecting further medium- to long-term growth momentum for the market for lithium-ion batteries from e-mobility and stationary power storage. According to them, both in the automotive industry and in the sector for energy networks and the storage of renewable energies, statutory incentives will impact sales figures for Li-ion batteries. In the field of e-mobility, the research institute Forschungsgesellschaft Kraftwesen mbH forecasts by 2017 total produced units of 1.54 billion electric vehicles and plug-in-hybrid vehicles in the United States, China, Japan, Germany, France and South Korea. This development is primarily being driven by brands such as Tesla, Mercedes, Audi and BMW, which marketed electrically powered vehicles for the first time in 2014. Furthermore, governments in the automotive industry's key sales markets of Germany and China are providing incentives for end consumers to purchase electric vehicles. Numerous projects in the field of stationary power storage are currently being promoted and realized in the USA and Europe. As far as Asia is concerned, the US Department of Energy identifies China, South Korea and Japan as the market drivers of stationary power storage.

In the Energy Storage business segment, Manz AG has proven expertise in winding, stacking and laminating technologies, the most important technologies in the manufacture of lithium-ion batteries and capacitors for consumer electronics, e-mobility and stationary energy storage. This provides an excellent basis for systematic use of the revenue and earnings potential in these industries, both now and in the future.

Overall Assertion

As a high-tech equipment manufacturer, Manz AG has developed outstanding technological expertise in the fields of automation, laser processing, vacuum coating, printing and coating, metrology, wet chemistry and roll-to-roll. To reduce dependence on the development of individual target industries and growth markets, the company pursues a systematic diversification of its business model with regard to customers, regions and industries and at the same time is further optimizing technology transfers between the business segments.

For its Electronics business segment, Manz AG assesses the medium term outlook positively. The reason for this assessment is the rising demand for LCD and OLED flat screens, smartphones, tablet computers and for touch sensors, high-resolution printed circuit boards and chip carriers. In addition, new product groups such as smart watches contribute to further development potential in this field.

In view of the equilibrium between existing production capacities and end customer demand, an increasing willingness to invest is emerging in the solar industry. With its innovative production solutions, particularly in relation to the highly efficient and cost-efficient CIGS thin-film technology, Manz AG views itself as being fundamentally well placed to benefit from future investments. But since concrete negotiations concerning the sale of a CIGSfab continue to draw out significantly longer than expected, the Managing Board is currently examining the strategic options for the Solar segment as of the fiscal year 2016.

Due to the dynamic development of the market for lithium-ion batteries and the globally unique technology portfolio for the manufacture of all current battery cell concepts for consumer electronics, e-mobility and stationary power storage, Manz AG also sees significant opportunities for growth in the Energy Storage segment.

ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

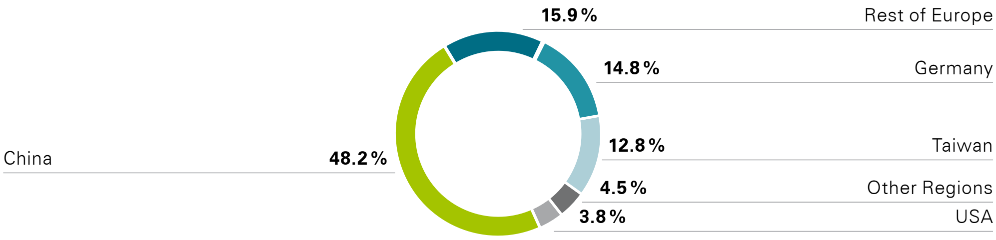
Cash Flows

Manz AG's cash flows in the first nine months of the 2015 fiscal year were shaped by the significant cancellations and postponements of orders and the resulting low revenues. Revenues in the 2015 reporting period amounted to 169.0 million euros, following 250.9 million euros in the same period in the previous year.

The Electronics segment accounted for a 38.7 % share of revenues in the reporting period with 65.3 million euros (previous year: 189.4 million euros or 75.5 %). This drop in sales is due to the weaker demand of Asian customers in comparison with the same period of the previous year for production equipment in the printed circuit board segment as well as in the classic display business. The order cancellation that occurred already in June with a volume of approximately 12 million euros as well as the associated loss of planned follow-up orders with a volume in the high tens of millions continue to have a negative effect on the revenue trend. The Solar segment generated around 17.2 million euros or 10.2 % of Manz AG's total revenues in the 2015 reporting period (previous year: 9.3 million euros or 3.7 %). The Energy Storage segment accounted for a large share of sales in the reporting period with 55.6 million euros or 32.9 % (previous year: 12.2 million euros or 4.9 %) with equipment for the production of lithium-ion batteries and capacitors. The Contract Manufacturing reporting segment was responsible for revenue contributions of 22.8 million euros or 13.4 % (previous year: 29.3 million euros or 11.7 %). Revenues in the Others reporting segment totaled 8.1 million euros in the 2015 reporting period, following 10.6 million euros in the prior-year period; this corresponds to a revenue share of 4.8 % (previous year: 4.2 %).

Manz AG revenues by region had the following distribution in the first nine months of 2015: Taiwan and China accounted for the largest share of Manz AG's revenues, at 103.1 million euros or 61.0 % (previous year: 182.6 million euros or 72.8 %). Business in the rest of Asia contributed 5.8 million euros to total sales or 3.5 % (previous year: 8.4 million euros or 3.4 %). In Germany, the company generated 25.1 million euros or 14.8 % of total revenues (previous year: 17.3 million euros or 6.9 %). The increase in sales to customers in Germany is essentially due to a major customer of Manz Italy, which has been consolidated in the Group only since April 30, 2014 and accordingly contributed to revenue in the comparable period of the previous year only on a pro-rata basis. Manz AG generated around 26.9 million euros or 15.9 % of its revenues in the rest of Europe in the reporting period, following 38.7 million euros or 15.3 % in the prior-year period. In the USA, the company achieved revenues of 6.4 million euros; this corresponds to a 3.8 % share of total revenues (previous year: 2.4 million euros or 1.0 %). Revenues in other regions worldwide amounted to 1.7 million euros or 1.0 % (previous year: 1.4 million euros or 0.6 %).

Revenues by Region January 1 to September 30, 2015

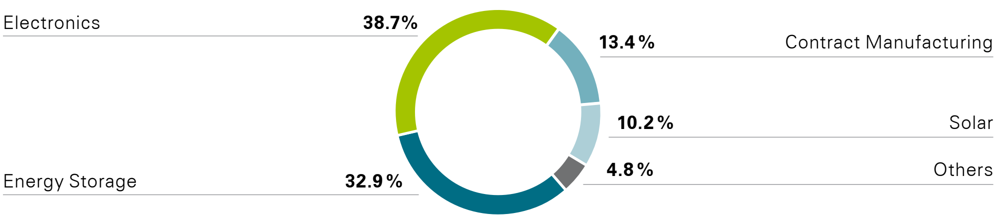


Based on revenues of 169.0 million euros, there was an increase of 2.0 million euros in inventories of finished goods and work in progress (previous year: –5.7 million euros). Own work capitalized, at 11.0 million euros, was above the prior-year level (previous year: 5.3 million euros). This increase is due essentially to the positive market prospects and correspondingly more intensive development activities in the Energy Storage segment as well as the further development of CIGS thin-film solar technology in the first quarter of 2015. In the second and third quarters of 2015, own work capitalized at 2.5 million euros and 3.2 million euros, respectively, was again at about the level of the previous year. The Managing Board expects a clear rise (significant increase) in own work capitalized for 2015 in comparison with the previous year. This will result in gross revenue of 181.9 million euros (previous year: 250.4 million euros). Other operating revenues amounted to 5.4 million euros (previous year: 5.6 million euros) and alongside subsidies for technology development, contained the gain from the sale of the subsegement equipment for the packaging industry (formerly contained in the segment "Other") in the amount of 2.0 million euros. The transaction in the form of an asset deal became effective as of September 30, 2015 and comprises, in addition to the transfer of 22 employees at the Tübingen and Reutlingen locations to Gebrüder Leonhardt GmbH & Co. KG Blema Kircheis, in particular the existing customer projects, inventories, pension provisions and technical know-how. Material costs amounted to 111.1 million euros (previous year: 151.0 million euros) with the material cost ratio, at 61.1 %, being slightly above the level of the previous year of 60.2 %. Gross profit came to 76.2 million euros, compared with 105.0 million euros in the previous year. Personnel expenses in the first nine months of 2015, at 64.2 million euros, were above the reference period in 2014 (previous year: 54.6 million euros), which was due to an expansion in personnel in the German and Asian locations, additional employees resulting from the acquisition of Manz Italy (April 30, 2014) as well as planned wage increases, with the expansion in personnel in Asia and Germany being attributable to the original growth projections for the entire year of 2015. The increase in personnel costs was also intensified through the RMB/euros and TWD/euros exchange rate effect in connection with the Asian subsidiaries. The personnel expenses ratio, at 35.3 %, was accordingly significantly above the level of the previous year of 21.8 %.

Other operating expenses increased to 32.6 million euros (previous year: 30.8 million euros) as a result of several factors. This increase is attributable in large part to the inclusion of Manz Italy, which was contained in the comparable period only on a pro-rata basis. In addition, higher sales expenditures as well as higher advertising and personnel recruiting costs for opening new markets and regions played a part. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to –20.6 million euros (previous year: 19.6 million euros). In the 2015 reporting period, depreciation and amortization at 9.5 million euros (previous year: 18.2 million euros) was significantly below the prior year's level due to the unscheduled write-offs of development costs taken at the end of 2014, particularly in the Solar segment. Overall, this results in operating earnings (EBIT) of –30.1 million euros (previous year: 1.5 million euros).

An analysis of the individual business segments shows that EBIT in the Electronics division was –20.1 million euros (previous year: 17.6 million euros). The Solar segment posted negative EBIT of –13.8 million euros, following –19.2 million euros in the previous year. Operating earnings in the Energy Storage segment amounted to 0.4 million euros, following 0.1 million euros in the reference period of the previous year. The Contract Manufacturing reporting segment recorded an operating profit of 1.4 million euros (previous year: 2.2 million euros), and the Others segment also recorded an operating profit of 1.9 million euros, following 0.7 million euros in the previous year. Included therein is the profit from the sale of the subsegment "Equipment for the packaging industry" in the amount of 2.0 million euros.

Revenues by Business Units January 1 to September 30, 2015



After deduction of taxes on income, Manz AG's consolidated net loss for the first nine months of 2015 was –33.8 million euros (previous year: –0.8 million euros). Based on a weighted average of 5,207,315 shares, this corresponds to earnings per share of –6.48 euros (previous year: –0.16 euros with 4,928,059 shares).

Financial Position

Total assets as of September 30, 2015 increased in comparison with the end of the 2014 year to 309.0 million euros (December 31, 2014: 253.6 million euros). On the liabilities side, the company's equity came to 148.2 million euros. This increase in comparison with the end of the year 2014 (December 31, 2014: 140.0 million euros) resulted from the successful capital increase carried out at the end of April 2015. As a result, subscribed capital increased by 492,805 euros, while capital reserves increased to 144.3 million euros (December 31, 2014: 103.8 million euros). At the same time, retained earnings fell significantly as a result of the loss for the 2015 period to –16.8 million euros (December 31, 2014: 19.1 million euros). The amount resulting from currency translation at the foreign subsidiaries increased to 15.2 million euros (December 31, 2014: 12.1 million euros.) This relates, in particular, to the strength of the Chinese renminbi and the Taiwanese dollar against the euro. As of the balance sheet date of the reporting period, the equity ratio is 48.0 %, following 55.2 % as of December 31, 2014.

Non-current liabilities increased from 36.4 million euros as of December 31, 2014 to 51.1 million euros as of the reference date September 30, 2015. This development was primarily the result of obtaining an additional loan from the European Investment Bank (EIB) in the amount of 10 million euros (December 31, 2014: 10 million euros). Pension provisions fell slightly to 8.1 million euros (December 31, 2014: 8.4 million euros). This drop is primarily the result of the transfer of 22 employees, already mentioned in the section "Cash Flows", to the purchaser in the framework of the sale of the subsegment equipment for the packaging industry. For further information, see also p. 28 of our quarterly report. As of September 30, 2015, other non-current provisions came to 3.9 million euros (December 31, 2014: 3.6 million euros). Other long-term liabilities in the amount of 2.7 million euros include the non-current share of the earn-out components from the purchase of KLEO Halbleitertechnik GmbH on June 1, 2015.

In addition, current liabilities increased significantly in comparison with the end of the 2014 fiscal year to 109.7 million euros (December 31, 2014: 77.2 million euros). This is due primarily to the increase in current financial liabilities to 41.8 million euros (December 31, 2014: 10.2 million euros). In the case of the Asian companies, the trend of the currencies in addition resulted in a rise in financial debts. Trade payables as of the end of the 2015 reporting period, at 42.6 million euros, were at the level of the end of the year 2014 (December 31, 2014: 42.3 million euros). As a result of the lower level of sales, prepayments received declined to 3.1 million euros (December 31, 2014: 10.6 million euros). As of September 30, 2015, other current provisions came to 6.8 million euros following 3.5 million euros as of the 2014 balance sheet date. The increase over the comparable value as of the end of 2014 is the result of additional scheduled personnel-related provisions. Other liabilities of 11.9 million euros (December 31, 2014: 8.3 million euros) contain personnel-related liabilities as well as earn-out liabilities to Würth-Solar at 3.0 million euros and the non-current share of earn-out components from the purchase of KLEO Halbleitertechnik GmbH as of June 1, 2015 at 0.4 million euros.

On the asset side, the increase in non-current assets from 117.4 million euros as of the end of the 2014 fiscal year to 132.9 million euros as of September 30, 2015 is essentially due to an increase in intangible assets, which as of the end of the reporting period in 2015 stood at 85.7 million euros (December 31, 2014: 74.7 million euros). This increase is due first to capitalized development costs and the purchase of KLEO Halbleitertechnik GmbH, and second to positive currency translation effects in connection with the goodwill contained herein for Asian subsidiaries. As of September 30, 2015, current assets at 176.1 million euros were above the amount for the 2014 balance sheet date of 136.2 million euros. Inventories amounted to 51.5 million euros (December 31, 2014: 48.3 million euros). At the same time, trade receivables at 87.8 million euros were significantly above the level of the end of the year 2014 (December 31, 2014: 58.7 million euros). This development is grounded in the current order situation, in particular in connection with orders in the Energy Storage segment. Other current receivables in the amount of 7.3 million euros as of September 30, 2015 (December 31, 2014: 5.9 million euros) were critically influenced by higher accruals as of the reference date and the increase in the value-added tax receivable. Liquid funds as of the end of the 2015 reporting period amounted to 28.9 million euros (December 31, 2014: 23.2 million euros).

Liquidity Position

Taking cash flow in the strict sense (operating profit plus depreciation/amortization of fixed assets and increase/decrease in other non-current provisions and pension provisions and other cash-generating income and expenses), a negative cash flow totaling 20.3 million euros resulted in the first nine months of 2015 (previous year: +19.0 million euros). This negative cash flow is primarily the result of a negative EBIT of –30.1 million euros (previous year: 1.5 million euros) and lower depreciation and amortization of 9.5 million euros (previous year: 18.2 million euros). Cash flow from operating activities for the 2015 reporting period amounted to –59.8 million euros (previous year: 11.1 million euros). This development is largely due to an increase in inventories, trade receivables and other assets and a corresponding outflow of funds in the amount of –35.7 million euros (previous year: –23.7 million euros), while at the same time trade payables and other liabilities increased by 3.0 million euros (previous year: +16.5 million euros).

Following a cash flow from investing activities of –15.6 million euros in the same period in the previous year (2014), there was a cash outflow of –18.4 million euros for the 2015 reporting period. This is the result of investments in the amount of 4.7 million euros in connection with the acquisition of KLEO Halbleitertechnik GmbH and investments in intangible assets and property, plant and equipment, in the amount of 14.8 million euros, primarily development activities. In terms of segments, the Solar segment accounted for investment of 6.4 million euros (previous year: 4.1 million euros); the Electronics segment, 4.0 million euros (previous year: 2.3 million euros); and the Energy Storage segment, 3.6 million euros (previous year: 1.6 million euros). In the other segments, 0.8 million euros (previous year: 0.7 million euros) were invested in the reporting period.

Cash flow from financing activities in the 2015 reporting period amounted to 83.0 million euros, following a cash outflow of –24.1 million euros in the previous year of 2014. The reason for this is the receipts for capital contributions in connection with the capital increase in the amount of 41.9 million euros, an increase in current financial liabilities in the amount of 31.6 million euros and long-term borrowings in the amount of 13.2 million euros. If exchange rate changes are taken into account, Manz AG therefore had liquid funds totaling 28.9 million euros as of September 30, 2015 (September 30, 2014: 37.7 million euros).

As of September 30, 2015, there are unused credit lines with banks in the amount of 75.1 million euros (December 31, 2014: 90.6 million euros) and available guarantee lines in the amount of 10.6 million euros (December 31, 2014: 10.5 million euros). In addition, there are unused guarantee lines at credit insurance companies in the amount of 29.3 million euros (December 31, 2014: 17.7 million euros). With respect to the loans of the German lenders, the key financial figures to be complied with ("covenants") were redrafted with the modifying agreement of September 25, 2015. A minimum liquidity for the Manz Group – excluding the Asian subsidiaries – of 10.0 million euros replaces the gross indebtedness ratio of 2.5. As of September 30, 2015, all covenants concerning minimum liquidity and equity ratio (40%) are met. The credit lines of the effected banks were not drawn as of September 30, 2015 or December 31, 2014, and the guarantee lines used come to 1.4 million euros (December 31, 2014: 1.6 million euros). Bank accounts with the credit institutions involved come to 4.6 million euros as of September 30, 2015 (December 31, 2014: 6.3 million euros).

Overall Assertion

Group revenues in the 2015 reporting period came to 169.0 million euros and thus were well below the level of the previous year of 250.9 million euros. Against the background of the weak development of sales in the first quarter of 2015 as well as the cancellation of an order in the Electronics segment and the delay in incoming orders in the Energy Storage segment in the second quarter, the Managing Board does not consider the revenue trend in the 2015 reporting period to be satisfactory. This weak sales base in comparison with the previous year in the opinion of the Managing Board is also crucial for the negative development of cash flows since at the same time the structures of the Group were oriented toward growth on the basis of the original planning for the year. In operating business, Manz thus realized earnings before interest, taxes and depreciation and amortization (EBITDA) of –20.6 million euros (previous year: 19.6 million euros). Earnings before interest and taxes (EBIT) amounted to approximately –30.1 million euros (previous year: 1.5 million euros). Liquid funds came to 28.9 million euros with a net indebtedness of 45.4 million euros, while the equity ratio as of September 30, 2015 was 48.0%. The value of orders on hand as of September 30, 2015 was 93.0 million euros.

EVENTS AFTER THE BALANCE SHEET DATE

On October 26, 2015, Manz AG announced that as part of its preparation of the interim financial statements for the third quarter of 2015, the Managing Board lowered the forecast for the full year. For fiscal year 2015, the Managing Board now expects revenues between 200 and 210 million euros and negative earnings before interest and taxes (EBIT) in the mid tens of million range.

Consequently, the Managing Board will initiate a restructuring program, the essential measures of which will be introduced on December 10, 2015. The goal of these measures is to adapt the global cost structure in order to be able to achieve on the basis of conservative plans for the year 2016 at least break-even and to be able to grow again on this basis, whereby Manz AG will focus in the future on the growth markets Electronics and Energy Storage. On the other hand, the strategic options for the Solar segment are being examined. The goal is that beginning with fiscal year 2016, no further cost burden should arise from this segment.

An agreement has been reached with the German lenders to adjust the financing facilities to the changed business outlook. The current credit and guarantee lines are sufficient to finance current operations.

Otherwise, no further events took place after the end of the reporting period that would have had a significant impact on our cash flows, financial position or financial performance.

REPORT ON OPPORTUNITIES AND RISKS

A deterioration of the economic development in our primary sales market Asia, in particular a further cooling off in China as well as in the Chinese financial markets, can lead to a further decline in the investment propensity of our customers. This can result in additional order delays in the Electronics segment, which is crucial for us. Moreover, restructuring expenses associated with essential measures of the restructuring program that is to be initiated can have material effects on the financial position, financial performance and cash flows. The current credit and guarantee lines expire as planned on 31 December, 2015. At this time, Manz AG is in discussions with its German lenders regarding the future financing of the company. This may result in significantly less favourable terms or negative effects on the liquidity situation.

In other respects, please see the opportunities and risks presented in the 2014 Annual Report.

FORECAST REPORT

OUTLOOK

In our forecast report, we address, insofar as possible, Manz AG's expected future growth and the company's business environment in the current fiscal year of 2015. On October 26, 2015, we revised our forecast for the year. This adjustment was necessary as a result of additional order delays in the business segments Energy Storage and Electronics, primarily by customers in Asia. In particular, the cooling off of the economy in China as well as the developments on the Chinese capital markets in the past weeks have led to a significantly restrained propensity on the part of customers to invest. Therefore, in our opinion, a significant amount of sales that had been anticipated for 2015 are now not expected to be realized until the beginning of the coming fiscal year. We now expect revenues for the fiscal year 2015 between 200 and 210 million euros and negative EBIT in the mid tens of millions (previous reduced forecast for 2015: moderately lower sales compared with the previous year in the amount of 305.9 million euros and improved, but negative EBIT).

In Asia, the crucial region for us, economic earning power is expected to grow in the current fiscal year at the prior-year level. In the region's largest national economy, the People's Republic of China, GDP growth of 6.6 %, which is significantly lower than in the previous year, is expected. For the global economy, experts from the Kiel Institute for World Economy see growth of 3.4 % in the year 2015. We assess the expected economic forecasts for the entire year to be on the whole stable. However, there are financing bottlenecks for our Chinese customers resulting from the slowdown in China and the turbulence on the Chinese capital markets over the past weeks. These bottlenecks will lead to a clearly restrained propensity in this region to invest. It should be borne in mind that the current economic framework conditions increase uncertainty in respect of statements about future growth, as underlying premises can quickly lose their validity. The framework conditions give rise to opportunities and risks for the Manz Group's continued operating growth.

In addition to these macroeconomic framework conditions, developments in the electronics, photovoltaic and lithium-ion battery sub-markets are also crucial to Manz AG's further operating growth.

For the current 2015 fiscal year, we expect operating activities in our Electronics segment to show a negative development. The reasons for this assumption are the order cancellation and the accompanying loss of sales in the form of expected follow-on orders in the first half year. In addition, the shortfall of financing for our Chinese customers led to additional significant order delays to the coming 2016 fiscal year. Fundamentally we continue to be convinced of market potential: The increasing use of electronic devices in everyday life, the increased penetration rate of communication applications and the sustained high demand for end devices with touch panel displays such as smartphones and tablet computers support us in this assessment. In our opinion, the continued high demand for smartphones and tablets as well as additional device functionalities will therefore result in new and replacement investments by the consumer electronics industry in assembly and production equipment, from which Manz AG can benefit. In view of the market prospects in the current year 2015 described above, business with printed circuit boards is expected also to develop stably. For 2015, however, we expect as a result of the described development in the Electronics segment an overall significantly weaker sales level than in the prior year with a negative EBIT margin. The value of orders on hand in the Electronics segment was at 22.0 million euros as of September 30, 2015 (September 30, 2014: 14.7 million euros).

For our Solar segment, we assess the general conditions, in view of a steadily growing end-customer demand for solar modules, as continuing to be generally positive. With its innovative production solutions, particularly in relation to the highly efficient and cost-efficient CIGS thin-film technology, we consider ourselves to be fundamentally well placed to benefit from future investments. However, since concrete negotiations concerning the sale of a CIGS*fab* are drawing out significantly longer than originally expected, the Managing Board is currently examining strategic options for the Solar segment beginning with the fiscal year 2016. For the full year of 2015, we anticipate that we will significantly increase revenues in this segment, but that it will record a negative EBIT. The value of orders on hand as of September 30, 2015 was 4.4 million euros (September 30, 2014: 6.3 million euros).

We expect to see very positive momentum in our third business segment, Energy Storage. With our globally unique technology portfolio for the manufacture of all current battery cell concepts – from wound button cells to stacked pouch cells – we play a decisive role in the continued development of lithium-ion battery technology. With our production systems for manufacturing lithium-ion batteries and capacitors for e-mobility, stationary power storage and premium consumer electronics, we have opened up further future markets that offer us significant revenue and earnings potential. We are seeing a strongly rising demand from customers in the Consumer Electronics segment. In this segment of the market, life span and size of the batteries are becoming more and more important. The advanced production systems from Manz allow a longer battery life and reduced size and weight. This has a positive effect on the properties of the end devices, thereby giving Manz AG clients calculable competitive advantages. But investments in production capacity for e-mobility also show dynamic development. For the full year of 2015, we are anticipating significant increases in revenues and earnings. The value of orders on hand as of September 30, 2015 was approximately 60.3 million euros (September 30, 2014: 19.0 million euros).

Overall, we are planning investments in the area of research and development in the current fiscal year at the level of the previous year of 20 million euros. With respect to our company's financial performance for the current fiscal year 2015, based on the operating growth of our business, we expect to see a negative cash flow.

OVERALL ASSERTION ON THE COMPANY'S FUTURE DEVELOPMENT

We consider the general industry outlook in all three strategic business segments to be positive. Due to the order cancellation in the Electronics segment as well as additional order delays in the Electronics and Energy Storage segments, with orders on hand as of September 30, 2015 of 93.0 million euros, we are expecting revenues for the current fiscal year between 200 and 210 million euros with a negative EBIT in the mid tens of millions (without taking into consideration possible restructuring expenses).

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 performance, 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.

C

CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT

1st to 3rd Quarter (in EUR tsd.)

	Jan. 1 to Sept. 30, 2015	Jan. 1 to Sept. 30, 2014
Revenues	168,951	250,872
Inventory changes, finished and unfinished goods	1,973	–5,736
Work performed by the entity and capitalized	10,970	5,274
Total operating revenues	**181,894**	**250,410**
Other operating income	5,435	5,598
Cost of materials	–111,147	–151,012
Gross profit	**76,182**	**104,996**
Personnel expenses	–64,236	–54,552
Other operating expenses	–32,593	–30,807
EBITDA	**–20,647**	**19,637**
Amortization/depreciation	–9,451	–18,185
Operating earnings (EBIT)	**–30,098**	**1,452**
Finance income	62	350
Finance costs	–2,098	–1,631
Earnings before taxes (EBT)	**–32,134**	**171**
Income taxes	–1,623	–1,012
Consolidated profit or loss	**–33,757**	**–841**
of which attributable to minority interests	–6	–52
of which attributable to shareholders of Manz AG	–33,751	–798
Weighted average number of shares	5,207,315	4,928,059
Earnings per share (diluted = undiluted) in EUR per share	–6.48	–0.16

CONSOLIDATED INCOME STATEMENT

3rd Quarter (in EUR tsd.)

	July 1 to Sept. 30, 2015	July 1 to Sept. 30, 2014
Revenues	47,023	87,258
Inventory changes, finished and unfinished goods	1,444	–273
Work performed by the entity and capitalized	3,191	1,855
Total operating revenues	**51,658**	**88,840**
Other operating income	2,338	1,566
Cost of materials	–33,981	–54,907
Gross profit	**20,015**	**35,499**
Personnel expenses	–22,958	–18,046
Other operating expenses	–11,008	–10,994
EBITDA	**–13,951**	**6,459**
Amortization/depreciation	–3,242	–6,184
Operating earnings (EBIT)	**–17,193**	**275**
Finance income	25	80
Finance costs	–873	–454
Earnings before taxes (EBT)	**–18,041**	**–99**
Income taxes	–723	–933
Consolidated profit or loss	**–18,764**	**–1,032**
of which attributable to minority interests	0	–68
of which attributable to shareholders of Manz AG	–18,764	–973
Weighted average number of shares	5,420,864	4,928,059
Earnings per share (diluted = undiluted) in EUR per share	–3.46	–0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1st to 3rd Quarter (in EUR tsd.)

	Jan. 1 to Sept. 30, 2015	Jan. 1 to Sept. 30, 2014
Consolidated profit or loss	**–33,755**	**–841**
Difference resulting from currency translation	3,093	6,993
Cash flow hedges	–2,083	–534
Tax effect resulting from components not recognized in profit/loss	481	123
Total of expenditures and income recorded directly in equity with future reclassification with tax effect	**1,491**	**6,582**
Revaluation of defined benefit pension plans	–778	–778
Tax effect resulting from components not recognized in profit/loss	215	172
Total of expenditures and income recorded directly in equity without future reclassification with tax effect	**–563**	**–606**
Consolidated comprehensive income	**–32,827**	**5,135**
of which minority interests	–5	79
of which shareholders of Manz AG	–32,822	5,056

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3rd Quarter (in EUR tsd.)

	July 1 to Sept. 30, 2015	July 1 to Sept. 30, 2014
Consolidated profit or loss	**–18,762**	**–1,032**
Difference resulting from currency translation	–6,464	6,148
Cash flow hedges	–69	–466
Tax effect resulting from components not recognized in profit/loss	16	107
Total of expenditures and income recorded directly in equity with future reclassification with tax effect	**–6,517**	**5,789**
Revaluation of defined benefit pension plans	–243	–268
Tax effect resulting from components not recognized in profit/loss	71	60
Total of expenditures and income recorded directly in equity without future reclassification with tax effect	**–172**	**–208**
Consolidated comprehensive income	**–25,451**	**4,549**
of which minority interests	–2	38
of which shareholders of Manz AG	–28,449	4,511

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)

	Sept. 30, 2015	Dec. 31, 2014
Non-current assets		
Intangible assets	85,685	74,740
Property, plant, and equipment	41,813	40,266
Deferred taxes	3,757	1,746
Other non-current assets	1,681	674
	132,936	**117,426**
Current assets		
Inventories	51,510	48,321
Trade receivables	87,835	58,708
Income tax receivables	508	82
Derivative financial instruments	0	6
Other current receivables	7,345	5,886
Liquid funds	28,898	23,153
	176,096	**136,156**
Total assets	**309,032**	**253,582**

LIABILITIES AND SHAREHOLDERS' EQUITY
(in EUR tsd.)

	Sept. 30, 2015	Dec. 31, 2014
Equity		
Issued capital	5,421	4,928
Retained earnings	144,323	103,817
Revenue reserves	–16,815	19,101
Currency translation	15,220	12,128
Shareholders of Manz AG	**148,149**	**139,974**
Minority Interests	34	39
	148,183	**140,013**
Non-current liabilities		
Non-current financial liabilites	32,423	22,118
Non-current deferred investment grants	115	118
Financial liabilities from leases	18	24
Pension provisions	8,130	8,431
Other non-current provisions	3,881	3,552
Other non-current liabilities	2,700	0
Deferred taxes	3,867	2,109
	51,134	**36,352**
Current liabilities		
Current financial liabilities	41,799	10,179
Trade payables	42,635	42,314
Payments received	3,146	10,555
Income tax liabilities	645	2,150
Other current provisions	6,811	3,514
Derivative financial instruments	2,814	184
Other liabilities	11,853	8,297
Financial liabilities from leasing	12	24
	109,715	**77,217**
Total liabilities and shareholders' equity	**309,032**	**253,582**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	Jan. 1 to Sept. 30, 2015	Jan. 1 to Sept. 30, 2014
Cash flow from operating activities		
Operating earnings (EBIT)	–30,098	1,452
Depreciation / amortization of fixed assets	9,451	18,185
Increase (+) / decrease (–) in pension provisions and other non-current provisions	405	788
Other non-cash income (–) and expenses (+)	–36	–1,416
Cash flow	**–20,278**	**19,009**
Gains (+) / losses (–) from disposals of assets	–1,957	–23
Increase (-) / decrease (+) in inventories, trade receivables and other assets	–35,727	–23,733
Increase (+) / decrease (-) in trade payables and other liabilities	3,037	16,479
Income tax received (+)/paid	–2,986	474
Interest paid	–1,988	–1,458
Interest received	61	349
Cash flow from operating activities	**–59,838**	**11,097**
Cash flow from investing activities		
Cash receipts from the sale of fixed assets	1,005	0
Cash payments for investments in intangible assets and property, plant and equipment	–14,744	–8,804
Cash payments for the acquisition of consolidated entitites, less liquid funds received	–4,674	–6,822
Cash flow from investing activities	**–18,413**	**–15,626**
Cash flow from financing activities		
Cash proceeds from long-term borrowings	13,150	10,000
Cash payments for repayment of long-term borrowings	–2,325	–2,298
Change in current financial liabilities	31,620	–31,580
Purchase of treasury shares	–10	–177
Cash payments for the repayment of financial leases	–12	–23
Cash receipts from issue of capital	41,888	0
Costs of raising capital (before taxes)	–1,307	0
Cash flow from financing activities	**83,004**	**–24,078**
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1 – 3)	4,753	–28,607
Effect of exchange rate movements on cash and cash equivalents	992	1,643
Cash and cash equivalents on January 1	23,153	64,666
Cash and cash equivalents on June 30	**28,898**	**37,702**
Composition of cash and cash equivalents		
Liquid funds	28,898	37,702
Cash and cash equivalents on June 30	**28,898**	**37,702**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

(in EUR tsd.)

				Revenue reserves						
	Issued capital	**Capital reserves**	**Treasury shares**	Cumulative profit/loss	Remeasurement of pensions	Cash flow hedges	**Currency translation**	**Manz AG shareholders**	**Minority equity**	**Total shareholders' equity**
As of Jan. 1, 2014	**4,928**	**103,822**		**58,311**	**–1,129**	**–2**	**7,050**	**172,980**	**2,058**	**175,038**
Total comprehensive income				–789	–606	–411	6,862	5,056	79	5,135
Purchase of treasury shares			–177					–177		–177
Use of treasury shares			177					177		177
Share-based compensation		84						84		84
As of Sept. 30, 2014	**4,928**	**103,906**		**57,522**	**–1,735**	**–413**	**13,912**	**178,120**	**2,137**	**180,257**
As of Jan. 1, 2015	**4,928**	**103,817**		**20,976**	**–1,840**	**–35**	**12,128**	**139,974**	**39**	**140,013**
Total comprehensive income				–33,750	–563	–1,602	3,092	–32,824	–5	–32,829
Capital increase	493	41,396						41,889		41,889
Costs of raising capital after taxes		–926						–926		–926
Purchase of treasury shares			–10					–10		–10
Use of treasury shares			10					10		10
Share-based compensation		36						36		36
As of Sept. 30, 2015	**5,421**	**144,323**		**–12,774**	**–2,403**	**–1,637**	**15,220**	**148,150**	**34**	**148,184**

SEGMENT REPORTING FOR DIVISIONS

As of Sept. 30, 2015

(in EUR tsd.)	Revenues with third parties	Revenues with other segments	EBITDA	EBIT	Segment assets	Segment liabilities	**Net assets**	Additions to assets	Amortiza-tion/ deprecia-tion	Emplo-yees (annual average)
Solar										
Q1–Q3 2014	9,292		–8,183	–19,185	99,953	20,980	**78,973**	4,122	10,646	290
Q1–Q3 2015	17,154		–9,924	– 13,759	70,777	25,132	**45,645**	6,378	3,569	281
Electronics										
Q1–Q3 2014	189,437		21,878	17,586	111,803	52,867	**58,936**	2,348	3,307	922
Q1–Q3 2015	65,311		–16,367	–20,128	91,625	52,957	**38,668**	3,961	2,816	995
Energy Storage										
Q1–Q3 2014	12,243		1,479	134	27,938	3,196	**24,742**	1,614	1,239	87
Q1–Q3 2015	55,593		1,651	439	68,605	5,000	**63,605**	3,649	1,058	162
Contract Manufacturing										
Q1–Q3 2014	29,295		2,912	2,239	14,365	9,936	**4,429**	186	406	101
Q1–Q3 2015	22,778		1,838	1,432	23,159	18,367	**4,792**	169	310	101
Others										
Q1–Q3 2014	10,605	11,278	1,552	678	7,933	7,249	**684**	123	746	105
Q1–Q3 2015	8,115	6,256	2,155	1,918	5,221	4,338	**883**	72	134	108
Central functions										
Q1–Q3 2014					56,708	44,215	**12,493**	411	1,841	323
Q1–Q3 2015					49,645	55,055	**–5,410**	515	1,564	333
Consolidation/Other										
Q1–Q3 2014		–11,278								
Q1–Q3 2015		–6,256								
Group										
Q1–Q3 2014	250,872		19,637	1,452	318,700	138,443	**180,257**	8,804	18,185	1,828
Q1–Q3 2015	168,951		–20,647	–30,098	309,032	160,849	**148,183**	14,744	9,451	1,980

SEGMENT REPORTING FOR REGIONS

As of Sept. 30, 2015

(in EUR tsd.)	Third-party revenues by destination of delivery	Non-current assets (without deferred taxes)
Germany		
Q1–Q3 2014	17,314	70,270
Q1–Q3 2015	25,059	55,833
Rest of Europe		
Q1–Q3 2014	38,713	17,763
Q1–Q3 2015	26,878	19,191
China		
Q1–Q3 2014	174,981	15,393
Q1–Q3 2015	81,411	18,355
Taiwan		
Q1–Q3 2014	7,583	33,864
Q1–Q3 2015	21,710	35,019
Rest of Asia		
Q1–Q3 2014	8,421	14
Q1–Q3 2015	5,830	8
USA		
Q1–Q3 2014	2,419	59
Q1–Q3 2015	6,402	67
Other Regions		
Q1–Q3 2014	1,441	344
Q1–Q3 2015	1,661	706
Group		
Q1–Q3 2014	250,872	137,707
Q1–Q3 2015	168,951	129,179

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NOTES

BASIC PRINCIPLES

Pursuant to Section 37w(3) of the German Securities Trading Act (WpHG), the consolidated interim financial statements as of September 30, 2015 have been prepared in condensed form according to the International Financial Reporting Standards (IFRS) – including IAS 34 – of the International Accounting Standards Board (IASB), London, which are endorsed by the European Union, and the Interpretations of the IFRS Interpretations Committee in effect on the balance sheet date. Standards and interpretations that have not yet taken effect have not been applied.

With the exception of the new provisions described below, the accounting policies applied to the consolidated interim financial statements as of September 30, 2015, as well as the calculation methods and input parameters used to measure fair value are the same as those of the consolidated financial statements as of December 31, 2014. A detailed description of these policies was published in the notes in the 2014 Annual Report.

In addition to the income statement, a statement of comprehensive income, a balance sheet, a cash flow statement and a statement of changes in equity are presented.

All significant intercompany balances and transactions have been eliminated. In the view of the management, the interim financial statements include all adjustments necessary for an appropriate presentation of the Group's financial position, financial performance and cash flows. The results presented in interim periods do not necessarily permit predictions about future business performance.

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

EXCHANGE RATES OF THE MOST IMPORTANT CURRENCIES

(in EUR)		Closing rate		Average rate	
		Sept. 30, 2015	**Dec. 31, 2014**	**Jan. 1 to Sept. 30, 2015**	**Jan. 1 to Sept. 30, 2014**
USA	USD	1.1245	1.2156	1.1158	1.3172
Taiwan	TWD	37.3245	38.6350	35.1578	39.2668
Hong-Kong	HKD	8.7152	9.4316	8.6515	10.2254
China	CNY	7.1672	7.4804	6.9030	8.1947
Hungary	HUF	314.7150	315.0810	309.3330	296.9897

BASIS OF CONSOLIDATION

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

FULLY CONSOLIDATED COMPANIES

		Interest in %
Manz CIGS Technology GmbH	Schwäbisch Hall/Germany	**100.0%**
KLEO Halbleitertechnik GmbH	Tettnang/Germany	**100.0%**
Manz Italy s.r.l.	Sasso Marconi/Italy	**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.	Nove Mesto nad Vahom/Slovakia	**100.0%**
Manz Asia Ltd.	Hong-Kong/China	**100.0%**
Manz China Shanghai Ltd. (Shanghai) [1]	Shanghai/China	100.0%
Manz (Shanghai) Trading Company 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 Chungli Ltd. [1]	Chungli/Taiwan	100.0%
Manz Taiwan Ltd. [2]	Chungli/Taiwan	100.0%
Manz (B.V.I.) Ltd. [3]	Road Town/British Virgin Islands	100.0%
Intech Machines (B.V.I.) Co. Ltd. [3]	Road Town/British Virgin Islands	100.0%

1) via Manz Asia Ltd. 2) via Manz Chungli Ltd. 3) via Manz Taiwan Ltd.

CHANGE IN THE CONSOLIDATION BASE IN THE FIRST NINE MONTHS OF 2015

Effective June 1, 2015, Manz AG acquired 100% of the shares of KLEO Halbleitertechnik GmbH, domiciled in Tettnang, a subsidiary of the ZEISS Group. Through this acquisition, the technology portfolio of Manz AG was expanded by the addition of the PCB Laser Direct Imaging (LDI) segment.

In addition to various assets and liabilities, 20 employees were also acquired in this process. The acquired assets are distributed across intangible assets, property, plant and equipment, inventories and receivables. The fair value of the receivables acquired corresponds to the contractually agreed gross amounts of the receivables. Valuation allowances were not formed. Furthermore, Manz also assumed liabilities, which mainly consist of pension provisions, advances received from customers and other liabilities. In addition, the agreement contains an earn-out component that is dependent on future sales of laser direct imaging equipment. As of the time of acquisition, the fair value of the conditional consideration was estimated at 3.1 million euros. On September 30, 2015, this value was carried forward unchanged.

Transaction-related costs of 0.1 million euros were recognized directly as expenses (Other operating expenses).

The following overview renders the fair values of the assets and liabilities acquired through the acquisition as of June 1, 2015. Goodwill represents the assets that cannot be separated in terms of purchase price allocation. It mainly involves employee know-how and synergies from the integration of the acquired business. The goodwill is not tax-deductible. It is allocated to the Electronics segment.

(in EUR million)	**Fair value (restated)**
Intangible assets	2.6
Property, plant and equipment	0.7
Inventories	2.7
Receivables	0.2
Cash and cash equivalents	0.1
Other assets	0.1
	6.4
Non-current liabilities	0.5
Current liabilities	0.6
	1.1
Fair value of net assets	**5.3**
Consideration (including earn-out components)	7.9
Goodwill	**2.6**

The calculation of the fair values of the assets and liabilities has not yet been completed. Provisional values have therefore been recognized in accordance with IFRS 3.62. The level of the consideration may still fluctuate in the +/–0.5 million euros range.

Since the time of acquisition, KLEO has contributed 31 thousand euros to revenues and –491 thousand euros to Group EBIT. If the acquisition had been carried out at the beginning of the reporting year, Group revenues would have been higher by 796 thousand euros and Group EBIT would have been lower by –972 thousand euros as of September 30, 2015.

KEY EVENTS IN THE REPORTING PERIOD

In the first nine months of 2015, the Manz Group recorded a significant decrease in revenues of 32.6 % to 169.0 million euros compared with 250.9 million euros in the reference period in the previous year. Total operating revenues declined by 27.3 % to 182.0 million euros.

Earnings before interest and taxes (EBIT) declined from 1.5 million euros to –30.1 million euros compared with the same period in the previous year.

NOTES ON INDIVIDUAL ITEMS IN THE INCOME STATEMENT

OTHER OPERATING INCOME

(in EUR tsd.)	Sept. 30, 2015	Sept. 30, 2014
Exchange rate gains	159	102
Income from the reversal of provisions	108	180
Income from the reduction of provisions	0	37
Income from the sale of investments	1,957	17
Subsidies	1,941	1,808
Changes to earn-out liability	0	1,500
Changes to valuation allowances on receivables	62	470
Other	1,208	1,484
	5,435	**5,598**

Included in Income from the sale of investments is 2.0 million euros from the sale of the packaging division to Gebrüder Leonhardt GmbH & Co. KG Blema Kircheis, domiciled in Aue, which formerly was reflected in the segment Others.

COST OF MATERIALS

(in EUR tsd.)	Sept. 30, 2015	Sept. 30, 2014
Cost of raw materials, consumables and supplies and of purchased merchandise	101,059	142,579
Cost of purchased services	10,088	8,433
	111,147	**151,012**

OTHER OPERATING EXPENSES

(in EUR tsd.)	Sept. 30, 2015	Sept. 30, 2014
Rents and leasing	4,526	4,313
Other operating costs	2,452	2,087
Other personnel expenses	1,403	1,280
Advertising and travel expenses	7,945	6,147
Outgoing freight, packaging	1,901	2,175
Legal and consulting costs	1,676	2,683
Insurance policies	747	667
Licensing fees	749	725
Exchange rate losses	835	1,428
Losses on receivables	99	280
Changes to valuation allowances on receivables	7	43
Other	10,253	8,979
	32,593	**30,807**

INCOME TAXES

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

Income taxes break down as follows:

(in EUR tsd.)	Sept. 30, 2015	Sept. 30, 2014
Current tax expense/income (–)	1,442	2,947
Deferred tax expense/income (–)	181	–1,935
	1,623	**1,012**

NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Licenses, software and similar rights, and assets	22,283	23,480
Capitalized development costs	23,933	14,764
Goodwill	39,409	36,495
Prepayments	60	1
	85,685	**74,740**

Of the increase in goodwill by 2,914 thousand euros to 39,409 thousand euros, 2,867 thousand euros is attributable to the initial consolidation of KLEO Halbleitertechnik GmbH as of June 1, 2015. The remaining change is due to currency effects.

PROPERTY, PLANT AND EQUIPMENT

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Land and buildings, including buildings on third-party land	28,744	26,943
Technical equipment and machinery	6,999	7,491
Other equipment, operating and office equipment	5,139	5,401
Prepayments	931	431
	41,813	**40,266**

INVENTORIES

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Raw materials, consumables and supplies	22,347	21,284
Work in progress	25,997	24,066
Finished goods and merchandise	2,148	725
Prepayments	1,018	2,246
	51,510	**48,321**

TRADE RECEIVABLES

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Future receivables from construction contracts	61,883	25,695
Trade receivables	25,952	33,013
	87,835	**58,708**

Future receivables from construction contracts, accounted for in accordance with their percentage of completion, are determined as follows:

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Manufacturing costs, including outcome of the contract, of construction contracts	111,432	76,252
Minus advances received	–49,549	–50,557
	61,883	**25,695**

Where advances received exceed the total of contract costs incurred and profits reported, such advances are accounted for on the liabilities side under advances received.

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Manufacturing costs, including outcome of the contract, of construction contracts	46,403	52,475
Minus advances received	–49,549	–63,030
	–3,146	**–10,555**

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	Sept. 30, 2015	Dec. 31, 2014
Tax receivables (not income taxes)	3,726	3,337
Personnel receivables	884	1,001
Other accruals (primarily insurance policies)	203	360
Other	2,532	1,188
	7,345	**5,886**

SHAREHOLDERS' EQUITY

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

ISSUED CAPITAL

As a result of the cash capital increase of April 28, 2015, which was decided, with Supervisory Board approval, by the Managing Board in partial exercise of the authorization given at the Annual General Meeting of July 9, 2014, pursuant to Article 3(3) of the Articles of Incorporation (Authorized Capital 2014), the issued capital of Manz AG was increased by 492,805.00 euros to 5,420,864.00 euros (previous year: 4,928 thousand euros) and is divided into 5,420,864 no-par value bearer shares, which are fully paid up. The nominal value of each share is thus 1.00 euro.

CAPITAL RESERVES

Capital reserves are comprised primarily of contributions from shareholders pursuant to Section 272(2), no. 1 of the German Commercial Code, minus financing costs after taxes. Furthermore, this also includes the value of share-based compensation granted to management (including the Managing Board) as a salary component in the form of equity instruments (Performance Share Plan).

Of the increase in the first nine months of 2015 in the amount of 40,506 thousand euros, 40,470 thousand euros relates to the premium from the capital increase carried out on April 28, 2015 and 36 thousand euros relates to the allocation from share-based compensation (Manz Performance Share Plan).

TREASURY SHARES

In the first nine months of 2015, the Manz Group purchased 121 treasury shares at an average price of 85.32 euros per share (market value of 10.32 thousand euros), which were transferred to employees in the context of jubilee benefits.

As of September 30, 2015, the company has no further treasury shares in its portfolio.

ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

The following table shows the reconciliation of balance sheet items to the categories of financial instruments, divided according to the carrying amounts and fair values of the financial instruments.

Trade receivables, other current receivables, liquid funds, trade payables, and the lion's share of other liabilities as set out in IFRS 7 mostly have short remaining terms. The carrying amounts of these financial instruments are therefore assumed to equate approximately to their fair values.

	Carrying Amounts by Measurement Category				
(in EUR tsd.)	**Fair value**	**Loans and receivables**	**Designated hedging instruments (cash flow hedges)**	**Not within the scope of IFRS 7, IAS 39**	**Carrying amount Sept. 30, 2015**
Assets as of Sept. 30, 2015					
Other non-current assets	1,681	1,681	–	–	1,681
Trade receivables	87,835	61,883	–	25,952	87,835
Derivative financial instruments		–		–	
Other current receivables	7,345	3,619	–	3,726	7,345
Liquid funds	28,898	28,898	–	–	28,898
	125,759	**96,082**		**29,678**	**125,759**

	Carrying Amounts by Measurement Category					
(in EUR tsd.)	**Fair value**	**Measured at amortized cost**	**Carrying amount according to IAS 17**	**Designated hedging instruments (cash flow hedges)**	**Not within the scope of IFRS 7, IAS 39**	**Carrying amount June 30, 2015**
Liabilities as of Sept. 30, 2015						
Financial liabilities	74,092	74,222	–	–	–	74,222
Financial liabilities from leases	38	–	30	–	–	30
Trade payables	42,635	42,635	–	–	–	42,635
Derivative financial instruments	2,814	–	–	2,814	–	2,814
Other liabilities	14,553	7,502	–	–	7,051	14,553
	134,132	**124,359**	**30**	**2,814**	**7,051**	**134,254**

Carrying Amounts by Measurement Category

(in EUR tsd.)	Fair value	Loans and receivables	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Dec. 31, 2014
Assets as of Dec. 31, 2014					
Other non-current assets	674	674	–	–	674
Trade receivables	58,708	33,013	–	25,695	58,708
Derivative financial instruments	6	–	6	–	6
Other current receivables	5,886	2,549	–	3,337	5,886
Liquid funds	23,153	23,153	–	–	23,153
	88,427	**59,389**	**6**	**29,032**	**88,427**

Carrying Amounts by Measurement Category

(in EUR tsd.)	Fair value	Measured at amortized cost	Carrying amount according to IAS 17	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Dec. 31, 2014
Liabilities as of Dec. 31, 2014						
Financial liabilities	32,157	32,297	–	–	–	32,297
Financial liabilities from leases	52	–	48	–	–	48
Trade payables	42,314	42,314	–	–	–	42,314
Derivative financial instruments	184	–	–	184	–	184
Other liabilities	8,297	4,251	–	–	4,046	8,297
	83,004	**78,882**	**48**	**184**	**4,046**	**83,140**

On the basis of the modification agreement of September 25, 2015, the covenant agreement between Manz AG and the German financial providers was redrafted. The covenant agreements for the reference date September 30, 2015 concerning minimum liquidity (10 million euros) and equity ratio (40 %) were thereby complied with. As of the balance sheet date of 9/30/2015 as well as December 31, 2014, no financial liabilities of these lending banks have been drawn. As of the reference date, Manz AG has cash in banks in the amount of 4.6 million euros. For more information regarding the effects on the liquidity position, please see our explanations under „Liquidity Position“ (page 31).

At Manz Slovakia s.r.o., financial liabilities in the amount of 11,501 thousand euros (December 31, 2014: 2,065 thousand euros) were in like manner subject to covenant agreements with various financial reference values. The covenants are reviewed by the banks only once a year using the annual financial statements. We are assuming that the covenants will be met as of December 31, 2015.

MEASUREMENT CLASSES ACCORDING TO IFRS 7.27

The Group uses the following hierarchy to determine and present the fair values of financial instruments for each measurement method:

Level 1: (unadjusted) prices for identical assets or liabilities quoted on active markets

Level 2: input data that is observable either directly (i.e. as prices) or indirectly (i.e. derived from prices) for the asset or liability and that does not represent any quoted price as described in Level 1.

Level 3: input data that is not based on observable market data for the measurement of the asset or liability (unobservable input data).

As of September 30, 2015, derivative financial instruments disclosed in current assets with a value of 0 thousand euros (previous year: 6 thousand euros), as well as derivative financial instruments disclosed in current liabilities with a value of 2,814 thousand euros (previous year: 184 thousand euros) fall within Level 2 of the fair value hierarchy within the scope of IFRS 7.27.

NOTE ON SEGMENT REPORTING

Due to the dynamic business environment and strategic considerations, Manz AG, in part, reorganized and renamed the strategic business segments as of fiscal year 2015. Activities in connection with production solutions for wet chemical processes in the manufacture of LCD and OLED flat screens and touch sensors, for the manufacture of printed circuit boards and chip carriers and for the manufacture of smartphones, tablet computers, laptops and other consumer electronics are now contained in the business segment Electronics. In fiscal year 2014, the printed circuit board segment was reported in the segment PCB/OEM. Because of the change, the 9/30/2014 comparative figures were reclassified accordingly.

Business in equipment for the production of lithium-ion batteries (formerly the Battery business segment) is now reported in the Energy Storage business segment.

The Solar business segment continues without change to contain the activities in the area of individual equipment for the manufacture of crystalline solar cells and thin-film solar modules as well as CIGS thin-film technology.

Alongside the three strategic business segments are the two reporting segments ‘Contract Manufacturing’ (equipment and parts manufacture as well as assembly work for customers of various industries) and ‘Others’. This segment was assigned to the segment PCB/OEM in fiscal year 2014. Now the subsegment of printed circuit boards is assigned to the new Electronics segment. The 9/30/2014 comparative figures were adjusted accordingly. In the Others reporting segment, Manz works with new kinds of pioneering technologies such as lightweight design and fuel cells. Up to the sale on September 30, 2015, the division with the construction of machines and equipment for the manufacture of packaging products from cardboard and film was also reflected in this segment.

CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

There were no major changes to other financial commitments and contingencies compared with December 31, 2014.

RELATED PARTIES

Compared with December 31, 2014, the group of related parties has remained unchanged.

In the period from January 1 to September 30, 2015, Manz AG purchased laser systems with a value of 3,910 thousand euros from the TRUMPF Group, of which Supervisory Board member Dr. Peter Leibinger is managing partner. As of September 30, 2015, liabilities to the TRUMPF Group amount to 27 thousand euros.

Manz AG purchased goods with a total value of 69 thousand euros from Hüttinger Elektronik GmbH & Co. KG, of whose Advisory Board Peter Leibinger is a member. As of September 30, 2015, Manz AG holds liabilities of 0 thousand euros to Hüttinger Elektronik GmbH & Co. KG.

In the period January 1 to September 30, 2015, 1,345 thousand euros was paid by the Center for Solar Energy and Hydrogen Research at Baden-Württemberg (ZSW), of which Prof. Powalla is a member of the Board of Directors, for services and license fees of Manz AG. As of September 30, 2015, liabilities to the ZSW amount to 140 thousand euros.

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

On October 26, 2015, Manz AG published an ad-hoc announcement in which the forecast for the full year was reduced. This adjustment was necessary as a result of additional order delays in the business segments Energy Storage and Electronics, primarily by customers in Asia. In particular, the cooling off of the economy in China as well as the developments on the Chinese capital markets in the past months have led to a significantly restrained propensity on the part of customers to invest.

Consequently, the Managing Board is initiating a restructuring program, the key measures and associated restructuring expenses of which will be presented on December 10, 2015. The goal of these measures is to adapt the global cost structure in order to be able to achieve on the basis of conservative plans for the year 2016 at least break-even and to be able to grow again on this basis. Manz AG in the future will focus on the Consumer Electronics and Energy Storage growth markets. On the other hand, the strategic options for the Solar segment are being examined.

No significant circumstances that could have an impact on the company's financial position, financial performance and cash flows otherwise occurred after the balance sheet date.

FURTHER DISCLOSURES

EMPLOYEES

As of September 30, 2015, the Manz Group had an average of 1,980 employees (September 30, 2014: 1,828 employees).

MANAGING BOARD

Dieter Manz, Dipl. Ing. (FH), CEO
Martin Hipp, Dipl.-Kaufmann, CFO
Martin Drasch, Dipl.-Ing. (FH), COO (since August 1, 2015)

SUPERVISORY BOARD

Prof. Dr. Heiko Aurenz, Dipl. oec., Partner at Ebner Stolz Management Consultants GmbH, Stuttgart, Chairman of Supervisory Board

Dr.-Ing. E.h. Dipl.-Ing. Peter Leibinger, Managing Director of TRUMPF Laser GmbH, Ditzingen, Vice Chairman of Supervisory Board

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 Karlsruher Institute of Technology (KIT), Light Technology Institute, Faculty of Electrical Engineering and Information Technology, Supervisory Board Member

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the Manz Group's financial position, financial performance and cash flows, and the Manz Group's interim management report includes a true and fair view 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 development in the remaining fiscal year.

Reutlingen, November 9, 2015

The Managing Board of Manz AG

Dieter Manz | Martin Hipp | Martin Drasch

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