manz
passion for efficiency

2012
PASSION FOR EFFICIENCY
3-MONTH REPORT

2012 FINANCIAL CALENDAR

Date	
June 19, 2012	2012 Annual Meeting of Shareholders
August 15, 2012	Publication of 2012 Q2 financial report
November 12–14, 2012	2012 German Equity Forum
November 13, 2012	Publication of 2012 Q3 financial report

OVERVIEW OF GROUP RESULTS

(in EUR million)	Jan. 1 to March 31, 2012	Jan. 1 to March 31, 2011
Revenues	44.11	62.03
Total operating revenues	46.62	65.35
EBIT	–4.93	0.18
EBIT margin (in %)	-	-
EBT	–5.22	0.07
Net income for the period	–5.42	–0.67
Earnings per share	–1.20	–0.16
Operating cash flow	–11.91	–16.36
Equity ratio (in %)	59.2	63.6*
Net debt	37.0	17.2*

* as of Dec. 31, 2011

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 fields of green technology and mobile communication. With our slogan "Passion for Efficiency," we promise to continue to develop existing products with a high rate of innovation, to create new solutions, and to consistently offer our customers in important sunrise industries more efficient production equipment. Extensive technological expertise is the foundation of our business, and it enables us to continually optimize our range of products. It makes the Manz Group an important innovation leader – for breakthroughs in key technologies, such as sustainable energy generation, displays for global communication needs, and e-mobility. Thanks to our core areas of expertise – automating processes and developing integrated systems – our technologies find application in a wide variety of industries. Manz currently focuses its research and development on production equipment for the photovoltaics industry, flat screens, and lithium-ion batteries. 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,

after closing the previous fiscal year with record revenues and thus once again reaching the level achieved prior to the economic and financial crisis, the first three months of 2012 were, as expected, characterized by a decrease in revenues and earnings – yet with a significant increase in new orders received.

As a result of the low number of orders received in the final quarter of 2011, revenues declined to 44.1 million euros compared to the same period last year (Q1 2011: 62.0 million euros). By simultaneously reducing material expenses, we succeeded in generating a "Rohergebnis" (a German accounting figure which includes total revenues, changes in inventory of finished and unfinished goods, cost of materials, and other operating income) of 26.2 million euros, slightly improved to that of the same quarter last year (Q1 2011: 25.2 million euros). The fact that, as expected, we posted an operating loss of 5.4 million euros for the first three months of 2012 (Q1 2011: 0.2 million euros) is the result of both the decline in revenues and the additional personnel expenses and operating expenses stemming from the CIGS innovation line in Schwäbisch Hall acquired at the beginning of the year.

Based on current orders with a value of over 104 million euros, we believe that for the entire 2012 fiscal year, we still have a good chance of generating revenues at a level similar to last year. This year, however, we are additionally focusing on increasing our profitability. The orders received in our flat panel display (FPD) and lithium-ion battery segments during the first quarter of 2012 with a total value of around 73 million euros give us reason to be optimistic. These orders strengthen us in our strategy as a leading high-tech engineering company of continuously investing in the expansion of our technological core competencies of laser technology, wet chemistry, vacuum coating, and automation. This strategy currently allows and will continue to allow Manz to flexibly supply innovative products to a variety of industries based on their growth cycles, thus compensating for fluctuations in revenue generated in individual segments.

In the previous fiscal year, the Flat Panel Display (FPD) division proved to be the backbone supporting our company. Our decades of presence in this industry, our physical proximity to our customers with our production facilities in Taiwan and China, and our technological expertise helped us grow considerably in the past year. We continue to expect that our FPD segment will see good growth during the current fiscal year as a result of the continuing boom in demand for smartphones, tablet PCs, and touch screen displays.

This expectation is supported by the contracts acquired in the first quarter with a value of around 65 million euros.

The equipment ordered in this contract is based on our technology platform of wet chemical processing, laser, and automation systems similar to those used in the solar segment. The success of our business model lies in our company's wide-ranging technological expertise and the associated synergies between the individual divisions. At the same time, the resulting flexibility is the key to being able to react quickly and offer the best-possible systems and solutions in growth industries.

In the solar division, the photovoltaic industry's hesitation to make investments during the first three months of the year was acutely palpable. This hesitation is due to both significant cuts to solar subsidies and inventory levels which continue to remain high. As a result, we currently only expect to see investments in replacement equipment or productivity increases. According to market experts, the decline in investments in PV production equipment will pass through its lowest point during the second quarter of 2012, meaning that we can expect to receive new orders in the second half of the year. In order to offer photovoltaic manufacturers the most efficient production systems for CIGS thin-film panels during the next upturn, Manz AG acquired the facility in Schwäbisch Hall including the 118 specialists employed there, converting it into an innovation line for research and development purposes. In contrast to other thin-film technologies, CIGS technology has much more potential when it comes to increasing efficiency and cutting costs, which is why we are convinced that it will dominate the market over the medium term.

We also expect to see an extremely positive trend in the demand for systems and equipment for the production of lithium-ion batteries. Manz AG already acquired new contracts for production systems to manufacture lithium-ion batteries in the first quarter of 2012 with a value of around 8 million euros; with revenues in this division totaling close to 10 million euros for the entire 2011 fiscal year, the 2012 fiscal year is getting off to an excellent start. And over the long term, all signs point to growth in this area of business. The increasing quantities of hybrid and electric vehicles being produced should lead to an increase in investments in this industry sector over the coming years. Thanks to increasing levels of automation and innovative production processes, the cost of these batteries can be significantly reduced. We want to achieve this through the use of and advancements to our systems and are therefore taking advantage of the growth opportunities here.

Due to the solid number of orders received, Manz AG's production capacities are currently well utilized. Since over 90% of the current orders are not held by the Solar division, we are confident that we will achieve our goals for the year despite the solar industry's weak market environment.

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

The Managing Board

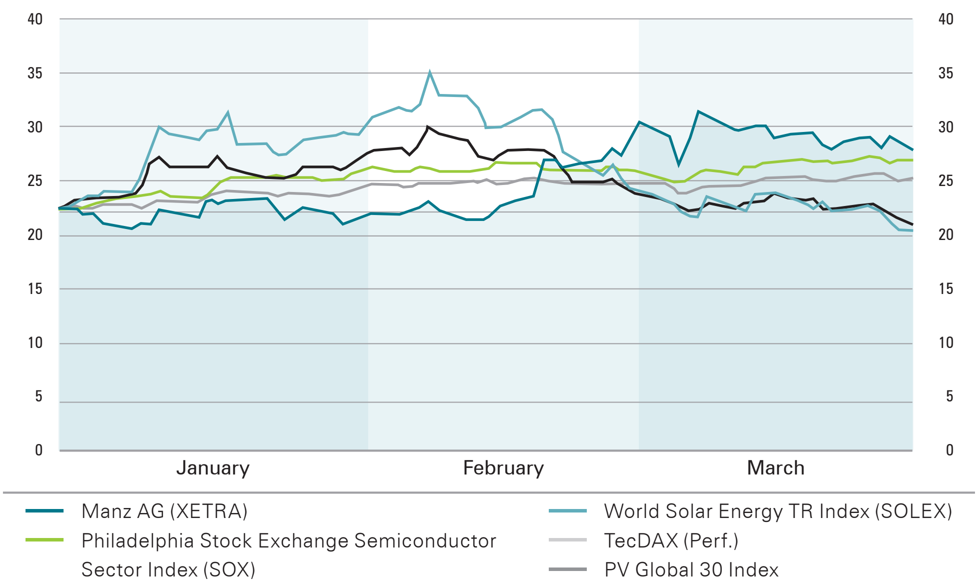
Dieter Manz Martin Hipp

MANZ AG STOCK

OVERVIEW

Manz AG's stock has been listed in the Prime Standard segment of the Frankfurt Stock Exchange's regulated market since July 2008 – the segment with the highest level of transparency. After being valued at 22.40 euros on the first trading day of the current fiscal year, Manz's stock exhibited a positive trend and gained value over the course of the reporting period. After trading sideways in the first two months of 2012, Manz's stock made significant gains and reached 31.35 euros on March 8, 2012, its highest value so far this quarter. In doing so, it traded significantly higher than Société Générale's World Solar Energy TR Index (SOLEX) and Deutsche Börse AG's Photovoltaik Global 30 Price. In addition, from this point on its performance exceeded that of both the TecDax and the Philadelphia Stock Exchange's Semiconductor Sector Index. The stock price declined slightly in the following weeks, and closed at the end of reporting period on March 30, 2012 at 28.00 euros.

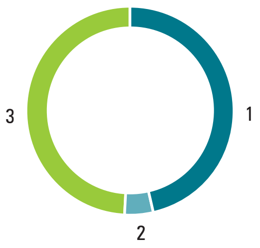
CHART SHOWING MANZ AG STOCK 2012 (XETRA, in EUR)



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**

SHAREHOLDER STRUCTURE



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

Currently at 49.04 %, Manz AG has a large number of shares in free float and has a wide shareholder base. At the end of the quarter on March 31, 2012, company founder and chairman of the Managing Board, Dieter Manz, held 46.43 % of Manz's stock. Apart from that, Ulrike Manz has an additional 4.53 % of the company's shares.

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9,133

DAYS OF INNOVATION AND PROGRESS

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


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

GROUP INTERIM REPORT

BUSINESS REPORT

BUSINESS ENVIRONMENT

Market and Competitive Environment

Economic Environment

After the global economic outlook declined significantly in late 2011/early 2012, both corporate and consumer confidence indexes recovered in the first three months of 2012 (according to the Kiel Institute for the World Economy, the IfW). At the same time, economic expansion in important areas of the global economy has once again increased. The IfW is forecasting global economic growth of 3.4 % for the current year.

The most important sales markets for Manz AG in the Asian region are expected to see a slight decline in total GDP growth during the current year, yet at 7.3 % (2011: 8.0 %) will still grow at a significantly higher rate than the global economy. As the most important market in the world for German mechanical engineering companies, the People's Republic of China is of particular importance to Manz in this context and is expected to record above-average GDP growth of 8.0 %.

Economic developments in the European Union for the current year will continue to be dominated by the euro and sovereign debt crises as well as the uncertainty in the capital markets. After the first quarter of 2012, the IfW is expecting a significant decline in economic growth as compared to the same period last year (0.1 % compared to 1.6 % in 2011).

In Germany, Manz AG's domestic market, economic trends will also be shaped by the effects of the euro and debt crises. In its forecast for 2012 published in the middle of March, the experts at the IfW are expecting to see GDP growth in Germany of 0.7 % (2011: 3.0 %). This prognosis is similar to the forecast by the German Council of Economic Experts, which predicts GDP growth of 0.9 %.

According to the German Engineering Federation (VDMA), new orders received declined by a total of 11.0 % year-over-year for the period from December 2011 to February 2012. Domestic orders dropped by 7.0 %, while orders from overseas declined by 12.0 %. These high negative rates are particularly the result of high positive rates last year. According to VDMA estimates, the rate of new orders received will stabilize at the current level. Overall, the industry experts from the VDMA are forecasting a stagnation in real equipment production for the current 2012 fiscal year.

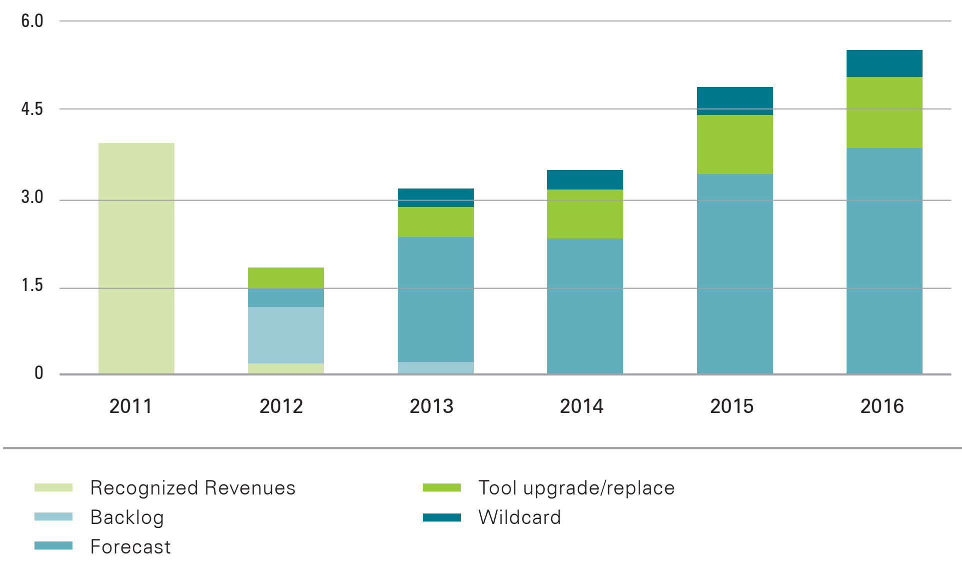
Solar Division

The global photovoltaic market was marked by varied and at times contradictory developments in 2011. While solar module extensions and electricity production from solar energy reached new record highs, manufacturers and suppliers suffered from overcapacity and steep declines in prices.

According to the market research company NPD Solarbuzz, in the first quarter of 2012 global demand in the photovoltaic market declined by 35 % compared to the previous quarter, reaching approximately 6.9 GW; it however increased by 146 % compared to the same period last year. According to the study published in April 2012, major cell and panel manufacturers are expecting a 23 % increase in sales in 2012. In contrast, the analysts from NPD Solarbuzz are expecting to see growth of around 13 % for the year.

After six consecutive quarters of decline, the drop in investments in PV manufacturing equipment is expected to bottom out in the second quarter of 2012. Total revenues from photovoltaic production equipment and materials for the manufacture of crystalline solar cells and thin-film panels dropped in the first three months of 2012 to 1.75 billion US dollars (1.34 billion euros) – the lowest it has been for ten quarters, 27 % lower than the previous quarter, and 51 % lower compared to the same period last year. In the second half of the year, NPD Solarbuzz is expecting to see new investments being made, particularly as a result of numerous new orders received by select major manufacturers. According to industry experts, in 2013 manufacturers will once again invest more in equipment and machines in order to gain future market share. NPD Solarbuzz believes that suppliers serving other related markets –such as the semiconductor, display, or LED markets – will particularly be able to compensate for the current cyclical decline in investments.

TIER 1 PV EQUIPMENT SPENDING (in USD billion)



Bank Sarasin sees annual global growth in new installations of 18 % for the period from 2010 to 2015. The bank's analysts expect that the photovoltaic market will become quite a bit more geographically diversified: this means more than ten national markets with annual expansion of at least 500 MW by 2013. Apart from that, BNEF expects many small markets on the order of between 100 and 200 MW to emerge in 2012.

Positive development can also be expected in the Chinese solar industry over the coming years based on its full order books. According to the industry experts at NPD Solarbuzz, the project pipeline for Chinese photovoltaics manufacturers grew to 20 GW last year.

The Indian solar energy market is predicted to have the world's highest growth potential in the coming years. Market research company GTM Research expects solar installations to increase from 54 MW to 3,000 MW between 2010 and 2016.

From a technological perspective, Manz AG believes that thin-film photovoltaics is the segment of the solar market with the greatest potential for cost reduction and future increases in efficiency. Last year, the market for thin-film solar panels was altogether shaped by market leaders expanding their production capacities and a shakeout among manufacturers. Swiss bank Sarasin believes that the number of companies in the industry declined from approximately 150 in 2010 to 100 in 2011. As a result, the top ten thin-film manufacturers in 2013 will only include producers with a capacity of over 500 MW. A forecast to 2020 by the analysts at Det Norske Veritas predicts that the market for thin-film solar modules will grow by 24 % annually and achieve 22 GW of output by 2020.

In its solar division, Manz AG offers its customers system and production solutions for the manufacture of crystalline solar cells and thin-film solar panels. In this context, the company's range of products includes individual pieces of equipment and a fully integrated, turnkey production line for manufacturing CIGS panels, the Manz CIGSfab. Through its development of new concepts for production processes, Manz AG is constantly working to cut production costs and increase efficiency, and believes it has an excellent position from which to participate in future investment cycles.

FPD Division

Today's world would be inconceivable without flat panel displays (FPD) – whether as computer screens for laptops, in televisions, displays for industrial operations, or touch screen panels for mobile devices such as smartphones, navigation devices, or tablet PCs.

The fastest-growing and most promising subsegment of the FPD market is touch screen panels for mobile devices such as smartphones and tablet PCs. According to a previous-year comparison by Displaybank Korea, touch screen panel sales increased by 35 % to 665 million units in 2011. With that, they calculate sales of approximately 6.09 billion US dollars. In the current year of 2012, sales and revenue are expected to continue increasing – to 888 billion units and 7.75 billion US dollars. They forecast total sales and revenue to reach 1.35 billion units (+170 % over 2010) and 9.65 billion US dollars by 2014. This increase will particularly be led by the booming market for smartphones, netbooks, and tablet PCs.

In the FPD value-creation process, Manz AG is represented with both equipment to automate the production process and the entire wet chemical process chain and can thus tap the great potential offered by this industry.

New Business Division

Hybrid-electric vehicles are already widely accepted around the world and particularly in markets such as China and India. According to the Global E-Mobility-Survey 2011, 92 % of Indians and 88 % of Chinese citizens would be willing to select an electric car when purchasing a new vehicle in the next five years. At least 57 % of those surveyed in Germany and the United States said they would do the same. The automotive industry is now also working intensively on advancements in the field of electric transportation. This is demonstrated by the introduction of commercially produced plug-in electric cars such as the Opel Ampera last year or the E-Smart from Daimler and other models by BMW, Ford, and Toyota in 2012. Pike Research estimates that over 257,000 plug-in electric vehicles will be sold worldwide in 2012; approximately 43 % of those will be in the Asia and Pacific region, 26 % in North America, and 24 % in Western Europe. The trend is clear: the market for electric vehicles is a strong emerging growth market. According to Roland Berger Strategy Consultants, the value of the market for lithium-ion batteries will increase from 1.5 billion to approximately 9 billion US dollars in the coming four years. With annual investments in production systems expected to total up to 5 billion euros over the long term, as an equipment manufacturer and engineering company, Manz AG sees immense market potential for its own New Business division.

Although the cost of lithium-ion batteries for electric cars remains extremely high, Manz AG's solutions offer the necessary cost-cutting potential and will play an important role in helping the technology in this field move mainstream.

Printed Circuit Board / OEM Reporting Segment

According to the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie e.V., or ZVEI for short), the global market for printed circuit boards grew by approximately 7.9 % to 54.6 billion US Dollars in the 2011 fiscal year. The experts from ZVEI primarily view growth in the Asia and Pacific region and Japan as the key drivers of this trend. In addition, the market for printed circuit boards in Europe grew by 7 %, from 5.9 billion US dollars to 6.4 billion US dollars. According to calculations by ZVEI, the German market could grow by around 5.4 % to approximately 1.4 billion euros. Automotive electronics and industrial electronics are two fields particularly responsible for this growth. In 2012, the Custer Consulting Group is expecting global market growth to total 4 %.

Business Development

Effective January 1, 2012, Manz AG acquired the CIGS production line located in Schwäbisch Hall from Würth Solar GmbH & Co. KG, and converted it into an innovation line for making advancements to CIGS manufacturing and processing technology. As part of the acquisition of this complete CIGS technology, a total of 118 employees from Würth Solar were integrated into the Manz Group. The innovation facility is used for research and development – and in this context, the focus is on accelerating technological advancements, thus cutting production costs and increasing panel efficiency. In addition to the manufacturing facility, Manz also acquired the licenses and know-how from Würth Solar without incurring any additional fees, and is continuing the exclusive research partnership with the Baden-Württemberg Center for Solar Energy and Hydrogen Research (ZSW) which pertains to CIGS glass panels.

In the middle of February, Manz AG's FPD division was proud to report the acquisition of a new contract with a total value of 33 million euros. The contract comprises systems and equipment for the manufacture of components in the FPD industry. In this context, the contract reflects the successful transfer of technology within the company, since the equipment was originally developed for the crystalline solar industry and can now be transferred to the FPD division without requiring any significant technological adjustments.

Furthermore, in March the company succeeded in acquiring additional contracts with a total value of around 40 million euros. These include additional orders for systems and equipment for manufacturing components in the FPD industry with a total value of 32 million euros. In addition, in the New Business division Manz was awarded contracts with a value of 8 million euros for production systems for manufacturing lithium-ion batteries. On March 28, 2012, Manz therefore had orders on the books with a value of over 104 million euros, which represents an excellent basis for the company's further growth in the current year.

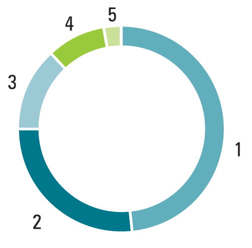
Analysis of the Financial Situation

Earnings Situation

In the first three months of the 2012 fiscal year, Manz AG's earnings situation was shaped by the low number of orders received in the last quarter of the previous fiscal year. Revenues dropped to 44.1 million euros in the reporting period, compared to 62 million euros in the same quarter last year.

The largest share of revenues, 21.4 million euros or 48.4 % of all revenues generated in the reporting period, was generated in the Flat Panel Display segment (Q1 2011: 13.5 million euros, or 21.8 %). This is primarily the result of the continued high demand for touch-screen displays for mobile devices such as smartphones and tablet PCs. In the first three months of the fiscal year, the Solar division generated 11.7 million euros, equal to 26.6 % of Manz AG's total revenues (Q1 2011: 25.1 million euros, or 40.5 %). In this context, the TFS segment (thin-film solar modules) contributed 7.7 million euros to total revenues generated in the quarter, and generated the same amount of revenues in the same period last year (Q1 2011: 7.7 million euros). This segment's share of revenues increased substantially, however, to 65.6 % (Q1 2011: 30.6 %). The PCB/OEM subsegment was responsible for a relevant share of revenues, generating 5.8 million euros, which is equal to 13.1 % of Manz's total. The New Business segment, with its focus on lithium-ion batteries, contributed 1.1 million euros to the Manz Group's total revenues. At the same time, the share of total revenues generated in this segment increased to 2.6 % (Q1 2011: 1.2 million euros, or 2.0 %), and underscores the significance that Manz AG is placing on the future market for electric vehicles. In the first three months of 2012, revenues from our miscellaneous division totaled 4.1 million euros (9.3 %), after totaling 3.3 million euros in the same period last year.

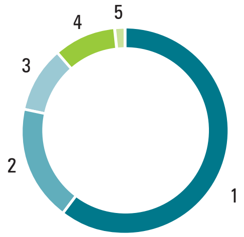
REVENUES BY BUSINESS UNIT 1ST QUARTER OF 2012



1	**48.4 %**	FPD
2	**26.6 %**	Solar
3	**13.1 %**	PCB/OEM
4	**9.3 %**	Others
5	**2.6 %**	New Business

Broken down by regions, Manz AG's revenues in the first quarter were generated as follows: With 26.7 million euros, equal to 60.5 %, Manz generated the lion's share of its revenues in Asia (Q1 2011: 38.0 million euros / 61.3 %). In Germany, the company generated 4.3 million euros, equal to 9.7 % of total revenues (Q1 2011: 11.6 million euros / 18.8 %). Approximately 4.5 million euros, equal to 10.1 % of total revenues in the reporting period, was generated in the rest of Europe, after generating 10.7 million euros, or 17.1 %, in the first quarter of last year. Manz succeeded in significantly increasing revenues in the United States. A total of 8.0 million euros were generated in the US, equal to an 18.1 % share of total revenues (Q1 2011: 1.7 million euros / 2.7 %). In all other regions of the world, Manz generated revenues of 0.7 million euros, or 1.6 % (Q1 2011: 0.1 million euros / 0.1 %).

REVENUES BY REGION 1ST QUARTER OF 2012



1	**60.5 %**	Asia
2	**18.1 %**	USA
3	**10.1 %**	Rest of Europe
4	**9.7 %**	Germany
5	**1.6 %**	Other regions

Changes in inventory of finished goods decreased significantly to –2.3 million euros (Q1 2011: –0.3 million euros) as the result of the company systematically reducing inventory on hand in the first three months of 2012. In addition, capitalized development costs also increased substantially as a result of the acquisition of the CIGS "innovation line" in Schwäbisch Hall, totaling 4.8 million euros in the reporting period (Q1 2011: 3.6 million euros). This resulted in total operating revenues in the first quarter of 46.6 million euros (Q1 2011: 65.4 million euros). Other operating income totaled 2.8 million euros, an increase of 1.7 million euros compared to the same period in 2011 (Q1 2011: 1.1 million euros). This is the result of benefits Manz AG is receiving from Würth Solar as part of the agreement to acquire the location in Schwäbisch Hall. Cost of materials declined significantly to 23.2 million euros (Q1 2011: 41.3 million euros), while the cost of materials ratio improved to 49.83 % (Q1 2011: 63.1 %). 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. At 26.2 million euros, Manz AG succeeded in keeping this figure stable compared to the same period last year (Q1 2011: 25.2 million euros).

Personnel expenses increased compared to the same period last year by 2.0 million euros to 17.5 million euros (Q1 2011: 15.5 million euros), due to additional personnel costs incurred at the acquired location in Schwäbisch Hall and from hiring additional highly qualified employees across the Group; the ratio of personnel costs to revenues totaled 37.5 % (Q1 2011: 23.7 %). Write-downs also increased in the reporting period from 2.5 million euros in the first quarter of 2011 to 3.6 million euros. In addition to scheduled depreciation of property, plant, and equipment, this figure also particularly includes an increase in internally produced and capitalized assets (development costs) stemming from the CIGSfab. Other operating expenses also increased to 10.0 million euros (Q1 2011: 7.0 million euros) and are predominantly the result of the acquisition of the innovation line from Würth Solar and increased sales costs. Due to the decline in revenue, overall this resulted in an operating loss (EBIT) of 4.9 million euros in the quarter (Q1 2011: 0.01 million euros).

When viewing the individual segments, our Solar division generated a loss of 6.3 million euros after posting a loss of 1.2 million euros during the same period last year. In contrast, Manz was able to increase EBIT in the FPD division to 1.3 million euros (Q1 2011: 0.6 million euros). Earnings before interest and taxes in the New Business division grew to 121,000 euros this year after totaling 85,000 euros in the same period last year. The PCB / OEM reporting segment posted a loss of 248,000 euros (Q1 2011: EBIT of 481,000 euros). And our miscellaneous division posted a slightly increased segment EBIT of 184,000 euros after generating earnings of 144,000 euros last year.

After deducting taxes on income, the Manz Group posted a total loss of 5.4 million euros in the first quarter of 2012 (Q1 2011: a loss of 0.7 million euros).

Asset Position

The value of total assets on March 31, 2012, declined from their value on December 31, 2011, by 8.4 million euros to 309.7 million euros. On the liabilities side, the company's equity decreased to 183.3 million euros (December 31, 2011: 189.3 million euros) and is primarily the result of the loss of the first quarter. This caused the equity ratio at the end of the reporting period to decline slightly to 59.2 %, after totaling 59.5 % on December 31, 2011.

Non-current liabilities increased slightly from 12.0 million euros to 15.4 million euros. This change is primarily due to an increase in non-current financial liabilities from 7.1 million euros (December 31, 2011: 4.9 million euros). This increase is the result of a loan taken out to finance the building at Manz AG's new production site in Suzhou, China. In addition, deferred tax liabilities increased from 0.8 million euros to 1.5 million euros.

In addition, current liabilities decreased overall compared to the end of the previous fiscal year to 111.1 million euros (December 31, 2011: 116.9 million euros). Due to lines of credit drawn upon to make use of discounts offered by suppliers, current financial liabilities increased, however – from 45.4 million euros on December 31, 2011, to 50.2 million euros on March 31, 2012. In contrast, accounts payable declined significantly by 9.7 million euros to 36.6 million euros (December 31, 2011: 46.3 million euros). Similarly, advance payments received also decreased to 8.4 million euros (December 31, 2011: 10.4 million euros). Other current provisions totaled 3.5 million euros on March 31, 2012, after totaling 3.2 million euros at the end of the 2011 fiscal year. Other liabilities of 8.1 million euros primarily encompass income taxes as well as liabilities to social security institutions and increased slightly after totaling 8.0 million euros in the previous quarter.

On the asset side, non-current assets increased from 130.0 million euros to 135.5 million euros, and is predominantly due to an increase in tangible fixed assets. Fixed assets totaled 35.6 million euros on March 31, 2012, after totaling 31.4 million euros at the end of the previous fiscal year. This increase is particularly due to capitalized property, plant, and equipment from the facility acquired in Schwäbisch Hall on January 1, 2012, as well as the new production site in Suzhou, China.

In contrast, current assets decreased at the end of the reporting period to 174.2 million euros (December 31, 2012: 188.2 million euros). As a result of reducing inventory on hand in the first quarter, the item Inventory decreased by 2.4 million euros to 64 million euros (December 31, 2011: 66.4 million euros). Other current receivables, which primarily encompass income tax receivables, increased at the end of the reporting period to 5.0 million euros, after totaling 3.9 million euros on December 31, 2011. In addition, liquid assets declined significantly to 20.4 million euros (December 31, 2011: 33.3 million euros). This decline is primarily due to paying back existing bank loans held by Manz AG as well as balancing out the Group's loss in the first quarter of 2012.

Liquidity Position

Our company's cash flow in the narrower sense (net profit in the period plus write-downs on fixed assets as well as an increase/decrease in long-term pension provisions) in the first three months of 2012 totaled –1.5 million euros (Q1 2011: +2.6 million euros). This outflow is primarily the result of the Group's loss in the first quarter of 2012. Negative operating cash flow declined to –11.9 million euros (Q1 2011: –16.4 million euros). This is primarily the result of a decline in inventory on hand and accounts receivable.

After posting a cash flow from investment activities of –6.8 million euros in the same period last year, cash flow here totaled –7.4 million euros in the 2012 reporting period. This was primarily the result of our company investing in research and development as well as the manufacturing facility in Suzhou, China.

In contrast, cash flow from financing activities decreased significantly to 6.8 million euros after totaling 16.4 million euros in the same period last year. This primarily reflects our company drawing on existing overdraft facilities and non-current loans less during the first quarter of 2012. Taking changes to currency exchange rates into account, Manz AG held liquid assets of 20.4 million euros on March 31, 2012 (March 31, 2011: 30.4 million euros).

EVENTS AFTER THE BALANCE SHEET DATE

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

REPORT ON OPPORTUNITIES AND RISKS

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

FORECAST REPORT

OUTLOOK

In the following forecast report, we are going to discuss the expected future development of Manz AG and our business environment for the current fiscal year. It must be noted, however, that current economic conditions cause uncertainty to arise when discussing future trends, since the assumptions this forecast is based on could quickly become invalid. The conditions of the current business environment mean both opportunities and risks when it comes to the Manz Group's development.

In addition to these general economic conditions, developments in the photovoltaic, flat panel display, and lithium-ion battery submarkets also play a decisive role in Manz AG's further operative performance.

In the first three months of 2012, Manz AG generated revenues of 44.1 million euros, a decline of 28.9 % compared to the 62.0 million euros the company generated in the same period last year. This decline was the result of the low number of orders received in the last quarter of the previous fiscal year. The company's primary revenue driver in the reporting period continued to be the booming flat panel display division, which generated 21.4 million euros (Q1 2011: 13.5 million euros). In this context, Manz AG succeeded in utilizing available production capacities in the photovoltaic division to manufacture products for the FPD industry, and in doing so stabilize its own degree of capacity utilization. Manz AG was forced to record a significant decline in revenues in the solar division, generating only 11.7 million euros in the reporting period after 25.1 million euros in the first quarter of 2011. Revenues in the PCB/OEM segment also decreased to 5.8 million euros (Q1 2011: 18.9 million euros). In the New Business division, with its focus on lithium-ion batteries, Manz AG generated revenues at a level similar to the first quarter of last year (1.1 million euros compared to 1.2 million euros in Q1 2011).

In the first three months of 2012, we generated negative earnings before interest and taxes (EBIT), i.e. a loss of 4.9 million euros (Q1 2011: earnings of 0.2 million euros), and a consolidated loss after taxes and minority shares of 5,4 million euros (Q1 2011: a loss of 0.7 million euros).

The current trends in the solar market confirm our strategy of systematically focusing our business model on multiple industries. In the solar division, we continue to expect to see manufacturers at most investing in replacement equipment or equipment to make production lines more economical during the second quarter of 2012. In this context, a hesitation to make investments among crystalline solar cell manufacturers is extremely palpable at the present time. In addition, major manufacturers have also decided not to run their existing production lines at full capacity this year. Over the medium term, this can lead to significantly increased growth rates in the solar sector, since companies will be forced to make new investments in order to manufacture their products profitably. This is one of the key reasons why Manz AG is working intensively on making advancements to the CIGS technology acquired from Würth Solar. On the one hand, this technology offers the highest rates of increase in efficiency and, as a result, it also offers the lowest costs per watt. On the other hand, solar power will move mainstream in countries and regions with many hours of sunlight, such as India, China, and North America. In this context, thin-film technology will particularly be able to capitalize on its advantages, which means that the medium- to long-term prospects for this division remain extremely positive.

Manz AG's second main area of business, the flat panel display industry, is currently being dominated by contradictory trends. On the one hand, the boom for equipment to produce LCD televisions is slowing down, which means demand is expected to decline in the current year. On the other hand, demand for smartphones and tablet PCs remains high, which means that this field can increasingly develop into an attractive area of business for Manz AG. The large contract acquired in the first quarter of 2012 with a value of 65 million euros supports this expectation.

According to the Managing Board, one extremely positive development is the demand for systems and equipment for the production of lithium-ion batteries. The increasing number of cars being produced with hybrid or battery-powered drive systems should lead to increased investments in the construction of battery factories in the coming years.

At the same time, the increasing level of automation can significantly reduce the cost of batteries, which in turn will stimulate demand for automobiles with these drive systems.

Due to the increasing use of electronic devices in daily life, communication applications' increased level of penetration, and the sustained demand for mobile devices such as smartphones and tablet PCs, the PCB / OEM reporting segment will most likely continue to see stable growth in the future, whereby the business conducted in this segment, which generally sees Manz in the role of an OEM, particularly serves to improve the utilization of our production capacities.

Based on the market expectations and thanks to the strong order intake in the FPD and lithium-ion business areas in Q1 2012 management is confident to reach revenues on the previous year's level. Depending on the development in the solar industry, there is also the potential to surpass this target considerably. As a result of the implemented measures for cost reduction management expects a significant positive EBIT in fiscal year 2012.

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.

May 2012

The Managing Board

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PILLARS OF SUSTAINABLE SUCCESS

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

Our lithium-ion battery division is an excellent example of how well this flexible strategy works – we are now considered a company that sets the pace for groundbreaking production technologies in this field.

CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF INCOME

(in EUR tsd.)	Jan. 1 to March 31, 2012	Jan. 1 to March 31, 2011
Revenues	44,107	62,032
Changes in inventory	–2,273	–276
Internally produced and capitalized assets	4,784	3,597
Total operating revenues	**46,618**	**65,353**
Other operating income	2,786	1,104
Material expenditures	–23,232	–41,257
Gross margin	**26,172**	**25,200**
Personnel expenses	–17,498	–15,476
Write-downs	–3,622	–2,516
Other operating expenses	–9,982	–7,033
Earnings before interest and taxes (EBIT)	**–4,930**	**175**
Financial income	69	80
Financial expenses	–355	–183
Earnings before taxes (EBT)	**–5,216**	**72**
Taxes on income	–202	–745
Comprehensive income	**–5,418**	**–673**
Income allocated to minority interests	–48	27
Income allocated to Manz AG shareholders	–5,370	–700
Weighted average number of shares	4,480,054	4,480,054
Earnings per share (diluted = undiluted) in euros	–1.20	–0.16

CONSOLIDATED INCOME STATEMENT FOR TOTAL PERIOD

(in EUR tsd.)	**Jan. 1 to March 31, 2012**	**Jan. 1 to March 31, 2011**
Comprehensive income	**–5,418**	**–673**
Other comprehensive income		
Difference as a result of currency translation	–641	–3,595
Changes to the fair of value of securities	50	0
Tax effects from other comprehensive income	–15	0
	–606	**–3,595**
Total comprehensive income for the period	**–6,024**	**–4,268**
Income allocated to minority interests	–48	477
Income allocated to Manz AG shareholders	–5,976	–4,745

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	**March 31, 2012**	**March 31, 2011**
Non-current assets		
Intangible assets	95,753	95,325
Property, plant, and equipment	35,566	31,380
Deferred taxes	3,337	2,438
Other non-current assets	843	864
	135,499	**130,007**
Current assets		
Inventories	63,957	66,393
Accounts receivable	84,657	84,175
Income tax receivables	149	282
Derivative financial instruments	40	109
Other current receivables	5,013	3,924
Liquid assets	20,418	33,288
	174,234	**188,171**
Total assets	**309,733**	**318,178**

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)	**March 31, 2012**	**March 31, 2011**
Equity		
Capital stock	4,480	4,480
Capital reserves	144,023	144,006
Company shares	–38	0
Revenue reserves	23,500	28,835
Currency translation	9,602	10,243
Manz AG shareholders	181,567	187,564
Minority interests	1,706	1,754
	183,273	**189,318**
Non-current liabilities		
Non-current financial liabilites	7,128	4,934
Non-current deferred subsidies	318	338
Financial liabilities from leases	68	70
Pension provisions	3,909	3,903
Other non-current provisions	2,451	1,958
Deferred taxes	1,495	803
	15,369	**12,006**
Current liabilities		
Current financial liabilities	50,153	45,399
Accounts payable and payments	36,647	46,335
Advance payments received	8,446	10,434
Income tax liabilities	3,916	3,124
Other current provisions	3,487	3,236
Derivative financial instruments	263	288
Other liabilities	8,147	7,996
Financial liabilities from leases	32	42
	111,091	**116,854**
Total shareholders' equity and liabilities	**309,733**	**318,178**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	March 31, 2012	March 31, 2011
Cash flow from operations		
Comprehensive income	–5,416	–673
Amortization/depreciation of non-current assets	3,622	2,516
Losses (+)/gains (–) from equity-accounted investments	0	0
Increase (+)/decrease (–) in pension provisions and other non-current provisions	499	–98
Other non-cash income (–) and expenses (+), particularly deferred taxes	–207	863
Cash flow	**–1,502**	**2,608**
Gains (–)/losses (+) from disposal of assets	11	–1
Increase (–)/decrease (+) in inventories, account receivable, and other assets	787	–6,853
Increase (+)/decrease (–) in trade payables and other liabilities	–11,204	–12,111
	–11,908	**–16,357**
Cash flow from investments		
Incoming payments from the sale of non-current assets	201	15
Payments for investments in intangible assets and property, plant, and equipment	–7,924	–6,778
Payments for the acquisition of consolidated companies, minus liquid assets received	286	0
	–7,437	**–6,763**
Cash flow from financing activities		
Purchase of own shares	–38	0
Payments toward the repayment of finance leases agreements	–2	–3
Deposits from drawing on non-current loans	2,094	4,584
Payments toward the repayment of non-current loans	–42	–144
Change in overdraft loans	4,754	11,933
	6,766	**16,370**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal 1–3)	–12,579	–6,750
Net change in cash and cash equivalents due to currency translation	–291	–1,722
Cash and cash equivalents on Jan. 1	33,288	38,902
Cash and cash equivalents on March 31	**20,418**	**30,430**
Composition of cash and cash equivalents		
Liquid assets	20,418	30,430
Cash and cash equivalents on March 31	**20,418**	**30,430**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of March 31, 2012

				Revenue reserves						
(in EUR tsd.)	**Capital stock**	**Capital reserves**	**Treasury shares**	Accummulated earnings	Market value of securities	Cashflow hedges	**Currency translation**	**Manz AG shareholders**	**Minority shares**	**Total equity**
As of Jan. 1, 2011	**4,480**	**144,213**	**0**	**28,182**	**0**	**0**	**9,577**	**186,452**	**1,476**	**187,928**
Net profit (loss) for the period				–700	0	0	–4,045	–4,745	477	–4,268
Purchase of own shares								0		0
Use of treasury shares								0		0
Share-based compensation		61						61		61
Changes in minority interests as a result of increased interests				–75				–75	–5	–80
As of March 31, 2011	**4,480**	**144,213**	**0**	**28,182**	**0**	**0**	**9,577**	**186,452**	**1,476**	**187,928**
As of Jan. 1, 2012	**4,480**	**144,213**	**0**	**28,182**	**0**	**0**	**9,577**	**186,452**	**1,476**	**187,928**
Net profit (loss) for the period				863	0	–215	666	1,314	318	1,632
Purchase of own shares			–125					–125		–125
Share-based compensation		–207		0				–207		–207
Changes in minority interests as a result of increased interests				5				5	–40	–35
As of March 31, 2012	**4,480**	**144,006**	**0**	**29,050**	**0**	**–215**	**10,243**	**187,564**	**1,754**	**189,318**

SEGMENT REPORTING FOR DIVISIONS

as of March 31, 2012

(in EUR tsd.)	Revenues with third parties	Revenues with other segments	EBIT	Segment assets	Segment liabilities	**Net assets**	Additions to assets	Amortization/ depreciation	Employees (annual average)
Solar									
Q1/2011	25,120		–1,129	123,710	8,110	**115,600**	3,943	973	458
Q1/2012	11,731		–6,289	144,409	16,224	**128,185**	7,271	1,991	483
FPD									
Q1/2011	13,543		594	58,160	25,652	**32,508**	1,386	379	447
Q1/2012	21,360		1,302	79,000	26,413	**52,587**	31	409	485
New Business									
Q1/2011	1,231		85	5,534	943	**4,591**	98	183	39
Q1/2012	1,138		121	8,160	1,162	**6,998**	72	121	47
PCB/OEM									
Q1/2011	18,861		481	37,300	14,074	**23,226**	946	426	455
Q1/2012	5,790		–248	29,108	22,886	**6,222**	115	397	439
Others									
Q1/2011	3,277	3,932	144	5,970	113	**5,857**	86	110	91
Q1/2012	4,088	1,003	184	11,033	5,625	**5,408**	210	151	106
Central functions/other									
Q1/2011	0			57,885	56,026	**1,859**	319	445	322
Q1/2012	0			38,023	54,150	**–16,127**	225	553	346
Consolidation									
Q1/2011		–3,932							
Q1/2012		–1,003							
Group									
Q1/2011	62,032	0	175	288,559	104,918	**183,641**	6,778	2,516	1,812
Q1/2012	44,107	0	–4,930	309,733	126,460	**183,273**	7,924	3,622	1,906

SEGMENT REPORTING FOR REGIONS

as of March 31, 2012

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
Germany		
Q1 / 2011	11,634	64,402
Q1 / 2012	4,304	73,924
Rest of Europe		
Q1 / 2011	10,658	13,189
Q1 / 2012	4,448	12,096
Asia		
Q1 / 2011	38,001	36,435
Q1 / 2012	26,672	44,189
USA		
Q1 / 2011	1,689	65
Q1 / 2012	7,998	97
Other Regions		
Q1 / 2011	50	2,714
Q1 / 2012	685	1,856
Group		
Q1 / 2011	62,032	116,805
Q1 / 2012	44,107	132,162

NOTES

BASIC PRINCIPLES

These consolidated interim financial statements dated March 31, 2012, were prepared according to the International Financial Reporting Standards (IFRS) established by the International Accounting Board (IASB), as approved for use in Europe by the EU. They have been neither officially audited nor subjected to an auditor's review.

There were no changes to the accounting and valuation methods as compared to the annual financial statements dated December 31, 2011. A detailed description of these methods was published in the Notes to the 2011 Annual Report.

These consolidated interim financial statements were prepared in euros. Unless otherwise stated, all amounts are shown in thousands of euros (EUR tsd.).

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 at the End of the Period:		Average Rate During:	
(in EUR)		**March 31, 2012**	**December 31, 2011**	**Jan. 1 to March 31, 2012**	**Jan. 1 to March 31, 2011**
USA	USA	1,3339	1,2950	1,3110	1,3671
Taiwan	TWD	39,4311	39,4288	39,1322	40,1100
Hong-Kong	HKD	10,3580	10,0612	10,1783	10,6538
China	CNY	8,4369	8,2424	8,2854	9,0078
Hungary	HUF	295,5060	312,7680	297,7263	273,4354

BASIS OF CONSOLIDATION

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

FULLY CONSOLIDATED COMPANIES

		Interest in %
Manz Tübingen GmbH	Tübingen, Germany	**100,0 %**
Manz Coating GmbH	Reutlingen, Germany	**100,0 %**
Manz CIGS Technology GmbH	Schwäbisch Hall, Germany	**100,0 %**
Manz USA Inc.	North Kingstown, USA	**100,0 %**
Manz Hungary Kft.	Debrecen, Hungary	**100,0 %**
MVG Hungary Kft.	Debrecen, Hungary	**100,0 %**
Manz Slovakia s.r.o.	Nové Mesto nad Váhom, Slovakia	**100,0 %**
Manz Israel (T.A.) Ltd.	Petah Tikva, Israel	**100,0 %**
Manz Asia Ltd.	Hong Kong, China	**100,0 %**
Manz Chungli Ltd. 1)	Zhongli City, Taiwan	**100,0 %**
Manz China Shanghai Ltd. 1)	Shanghai, China	**100,0 %**
Manz China WuZhong Co. Ltd. 1)	Suzhou, China	**100,0 %**
Manz China Suzhou Ltd. 1)	Suzhou, China	**100,0 %**
Manz India Private Ltd. 1)	New Delhi, India	**75,0 %**
Manz Taiwan Ltd. 1)	Zhongli City, Taiwan	**97,2 %**
Manz (B.V.I.) Ltd. 2)	Road Town, British Virgin Islands	**97,2 %**
Intech Machines (B.V.I.) Co. Ltd 2)	Road Town, British Virgin Islands	**97,2 %**
Intech Machines (Shenzhen) Co. Ltd 3)	Shenzhen, China	**97,2 %**

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

CHANGES TO THE BASIS OF CONSOLIDATION IN FISCAL YEAR 2012

Manz CIGS Technology GmbH

Effective January 1, 2012, Manz AG acquired a 100 % stake in CIS Technology GmbH. This company owns the licenses, expertise, and a production line for the manufacture of CIGS thin-film solar panels (CIGSfab). As a result of this acquisition, the licensing and partnership agreement Manz entered into with Würth Solar GmbH & Co. KG in July 2010 was annulled. All of the services set forth in this agreement which had not yet been rendered are considered rendered upon completion of the acquisition of CIS Technology GmbH. The fair value of the annulled licensing and partnership agreement totaling 24.8 million euros corresponds to a purchase price of the same amount. No funds were transferred as payment for this acquisition. No significant acquisition costs were incurred for this transaction. As a result of this acquisition, Manz acquired the following assets and liabilities:

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

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

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

KEY EVENTS IN THE PERIOD UNDER REVIEW

In the first three months of the 2012 fiscal year, the Manz Group recorded a 28.9% decline in revenues compared to the same period last year (44.1 million euros in Q1 2012 compared to 62.0 million euros in Q1 2011). Total operating revenues decreased by 28.7% to 46.6 million euros.

Earnings before interest and taxes (EBIT) declined from 0.2 million euros in the same period last year to –4.9 million euros.

NOTES TO INDIVIDUAL ITEMS ON THE INCOME STATEMENT

OTHER OPERATING INCOME

(in EUR tsd.)	**March 31, 2012**	**March 31, 2011**
Capital gains	70	357
Income from the release of provisions	311	251
Income from the reduction of reserves	176	0
Income from the sale of investments	11	3
Subsidies	402	29
Expense grants	1,500	0
Changes to write-downs on accounts receivable	11	0
Other	306	464
	2,786	**1,104**

MATERIAL EXPENDITURE

(in EUR tsd.)	**March 31, 2012**	**March 31, 2011**
Cost of raw materials, and supplies, and for purchased goods	21,629	39,165
Expenditure on third-party services	1,603	2,092
	23,232	**41,257**

OTHER OPERATING EXPENSES

(in EUR tsd.)	March 31, 2012	March 31, 2011
Rent and leasing	1,518	1,282
Other operating costs	725	564
Other personnel expenses	396	468
Advertising and travel expenses	1,552	1,396
Outgoing freight, packaging	588	579
Legal and consulting costs	399	140
Insurance	297	235
Capital losses	244	84
Changes to write-downs on accounts receivable	369	146
Other	3,894	2,138
	9,982	**7,033**

TAXES ON INCOME

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

Income taxes consist of the following items:

(in EUR tsd.)	March 31, 2012	March 31, 2011
Deferred tax liabilities/income (–)	1,017	–288
Deferred tax liabilities/income (–)	–815	1,032
	202	**744**

NOTES TO INDIVIDUAL ITEMS ON THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Licenses, software and similar rights, and assets	33,896	30,326
Capitalized development costs	36,700	33,195
Goodwill	24,771	24,781
Advance payments	386	7,023
	95,753	**95,325**

TANGIBLE ASSETS

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Property and buildings including buildings on third-party properties	16,959	16,968
Technical equipment and machinery	6,493	4,487
Other equipment, furniture, and office equipment	3,796	3,939
Advance payments	8,318	5,986
	35,566	**31,380**

INVENTORIES

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Raw materials and supplies	26,689	27,198
Goods in process, work in progress	33,321	36,845
Finished goods, products	1,745	708
Advance payments	2,202	1,642
	63,957	**66,393**

ACCOUNTS RECEIVABLE

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Future receivables from non-current construction contracts	63,799	49,234
Accounts receivable	20,858	34,941
	84,657	**84,175**

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

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Manufacturing costs including outcome of the contract for noncurrent construction contracts	122,103	107,385
minus advance payments received	–58,304	–58,151
	63,799	**49,234**

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	March 31, 2012	Dec. 31, 2011
Tax receivables (not income taxes)	2,665	1,712
Receivables, personnel	407	313
Other accruals and deferrals (primarily from insurance)	227	290
Other	1,802	1,609
	5,101	**2,212**

EQUITY

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

CAPITAL STOCK

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

There were no changes in share capital during the first quarter of 2012.

CAPITAL RESERVES

Capital reserves primarily comprise payments from shareholders pursuant to Article 272, Paragraph 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).

TREASURY SHARES

In the first quarter of 2012, the Manz Group purchased 1,348 of its own shares at an average price of 28.67 euros per share (total market value: 38,000 euros). The number of treasury shares held remains unaffected as of March 31, 2012.

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

As of March 31, 2012, the Manz Group had an average of 1,906 employees (1,812 employees on March 31, 2011).

MANAGING BOARD

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

SUPERVISORY BOARD

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

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

Reutlingen, May 7, 2012

The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

1.959

MINDS WORK ON THE FUTURE HERE

Manz has a local presence in all key growth regions. Our company employs people from 27 countries – all united by our typical “Manz passion”: giving our all to become a bit better every day. Whether it’s through our product range and quality, the responsible use of raw materials and resources, the vocational training that our company offers, or our multifaceted social commitment – not only do we enhance the future, we set an example in our own lives. The solar panels that provide our headquarters in Reutlingen with solar power are a perfect example of this. The panels are owned by our company’s employees, whose conviction led them to finance the system themselves. That is what identifying with your employer means at Manz.

IMPRINT

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passion for efficiency

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