

**POINTING THE
WAY:
OUR IDEAS FOR
THE FUTURE**

3-MONTH REPORT 2014

2014 FINANCIAL CALENDAR

Date	
July 9, 2014	2014 Annual Meeting of Shareholders
August 14, 2014	Publication of 2014 Q2 financial report
November 13, 2014	Publication of 2014 Q3 financial report
November 24–26, 2014	2014 German Equity Forum

OVERVIEW OF GROUP RESULTS

(in EUR million)	Jan. 1 to March 31, 2014	Jan. 1 to March 31, 2013	Change in %
Revenues	54.18	49.84	+8.7
Total operating revenues	51.03	54.73	-6.8
EBITDA	0.23	4.44	-94.8
EBITDA margin (in %)	0.45	8.11	-7.7 pp
EBIT	-5.70	-1.40	-307.1
EBIT margin (in %)	n/a	n/a	n/a
EBT	-6.17	-2.08	-196.6
Consolidated net profit (loss)	-6.64	-2.98	-122.8
Earnings per share (in euros)	-1.34	-0.66	-103.0
Operating cash flow	-7.33	-5.69	-28.8
Cash flow from investing activities	-2.13	-1.40	-52.1
Cash flow from investing activities	-16.00	5.57	n/a
	March 31, 2014	Dec. 31, 2013	Change in %
Total assets	295.12	319.17	-7.5
Equity	164.46	175.04	-6.0
Equity ratio (in %)	55.73	54.84	+0.9 pp
Financial liabilities	48.89	64.92	-24.7
Liquid assets	38.59	64.67	-40.3
Net debt	10.4	0.4	+2500

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 offer our customers in vibrant sunrise industries ever more efficient production equipment. Close customer relations across the world 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 sustainable energy generation and stationary power storage, displays for global communication needs, and e-mobility. Thanks to our expertise in the technological fields of automation, laser processes, vacuum coating, screen printing, metrology, and wet-chemical processes, our technologies find application in numerous industries. Manz currently focuses its research and development activities on production equipment for the display industry, photovoltaics, and lithium-ion batteries. This spirit of invention spurs us on each and every day – it is what makes our company’s dynamic growth possible.

OUR IDEAS ENABLE THE FUTURE TO BECOME THE PRESENT

Reliable energy supply, resource-efficient mobility, mobile communication: The course for the major future topics of our everyday world is already being set today. Manz’s ideas change perceptions and make what was previously unimaginable become the “norm”. Our ideas speed up the breakthrough of new technologies and ensure that new concepts soon become suitable for widespread use.

The properties of our customers’ end products are determined, in large part, by the equipment on which they are produced. Their performance characteristics venture into new dimensions thanks to our technologies.

In our annual report, we show you the many facets of high-tech engineering. You will be astonished how many areas of your everyday life are shaped by us and our ideas.

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LETTER FROM THE MANAGING BOARD

Dear Shareholders,

Our start to 2014 was characterized by high dynamism! Following record revenues and positive operating earnings in the previous year, we were able to report numerous new orders with an overall volume of approximately 100 million euros in the first quarter of the new fiscal year. The acquisition of the mechanical engineering division of the Italian technology company Kemet Electronics Italy, a subsidiary of the American KEMET Corporation, enabled us to significantly strengthen our technology portfolio in the Battery segment and, in addition, to open up access to important new international customers. The positive business performance over the past few months was also rewarded on the stock exchange. The positive stock price performance means that Manz AG is now once again one of the 30 largest technology companies in Germany, resulting in our being represented again in the select TecDax index since the end of March.

The financial key figures in the expectedly weak first quarter of 2014 are still significantly influenced by the low level of incoming orders in the final quarter of 2013. This reflects the seasonal nature of the market for premium consumer electronics, which is becoming increasingly important to Manz and which develops cyclically depending on the respective launch dates of the end devices. Although revenues increased from 49.8 million euros to 54.2 million euros, total operating revenue fell, due to the reduction of inventories, to 51.0 million euros, following 54.7 million euros in the first quarter of 2013. Our most important earnings parameter, earnings before interest, taxes, depreciation and amortization (EBITDA), at 0.2 million euros, was, as expected, below the level of 4.4 million euros achieved in the same quarter in the previous year. Apart from the poorer utilization of our capacities due to the low level of incoming orders in the final quarter of the 2013 fiscal year, the discontinuation, since the beginning of the year, of the funds received from Würth Solar as part of the agreement to acquire the location in Schwäbisch Hall also had a negative impact here. Earnings before interest and taxes (EBIT) amounted to -5.7 million euros, following -1.4 million euros in the first quarter of 2013.

Although we still report negative EBIT in the first quarter of 2014, we feel very confident about the current fiscal year. The positive performance in terms of revenues, earnings and costs, as well as the solid orders on hand, currently amounting to approximately 133 million euros, provide an excellent basis for a very successful and profitable 2014 as a whole. Our optimism is not only grounded in the dynamic development of our Display division, as we also see great potential for further growth in the short term in our strategic Solar and Battery target industries.



For example, the addition of the winding and laminating technology to our portfolio in the Battery division offers us excellent opportunities for follow-on orders in the current year not only in the future markets of e-mobility and stationary energy storage but also, and in particular, in the premium consumer electronics sector, and provides commensurately positive momentum for the development of the division.

It is also pleasing to identify an upturn in the order situation in the Solar division, in which even now, given the revenues generated and the current level of orders on hand, we are virtually at the level of revenues achieved in the whole of the 2013 fiscal year. The opportunities for selling a turnkey, fully integrated production line (CIGS*fab*) also open up considerable potential for a significant increase in revenues in this division.

In view of the positive outlook in the target markets relevant to us, we see significant opportunities for growth in all three strategic divisions. We will take systematic advantage of these opportunities. We therefore confirm the forecast, for the 2014 fiscal year, of strong revenue growth with a significant year-over-year improvement in EBIT.

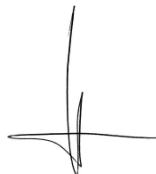
We would like, at this point, to extend our particular thanks to our employees, who, through their commitment, flexibility, and inventiveness, have made a crucial contribution to further developing our technology, thereby laying the foundation for our continued growth.

Reutlingen, May 2014

The Managing Board



Dieter Manz



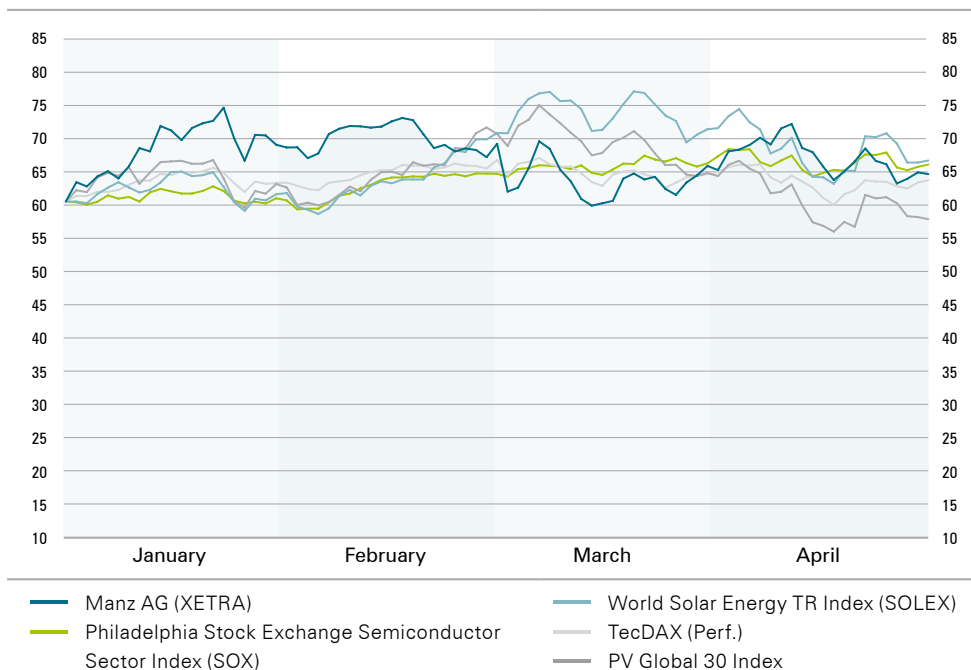
Martin Hipp

MANZ AG STOCK

PRICE PERFORMANCE (JANUARY 1, 2014 – APRIL 30, 2014)

Manz stock began the 2014 fiscal year on January 2, 2014, at a closing price of 60.52 euros. Its further development in January 2014 was characterized by a significant upwards movement. The price achieved its highest level in the first quarter on January 23, 2014, when it stood at 74.53 euros. Subsequently, the stock price fell initially to 67.00 euros on February 4, 2014, but was then able to gain in value again to 72.67 euros on February 18, 2014. The stock then recorded a virtually constant downward trend until the beginning of March, closing at 62.00 euros on March 3, 2014. Following a short-lived increase, the stock reached its high for the month of March on March 6, 2014, closing at 69.51 euros, before subsequently falling to 59.90 euros on March 13, 2014. By the end of first quarter, the stock was able to increase in value again, closing at 65.22 euros on March 31, 2014. At the beginning of the month of April, the stock initially continued its upward movement, recording, at 72.10 euros, its high for the month on April 9, 2014. The stock closed at 64.61 euros on April 30, 2014.

CHART SHOWING MANZ AG STOCK 2014 (XETRA, in EUR)



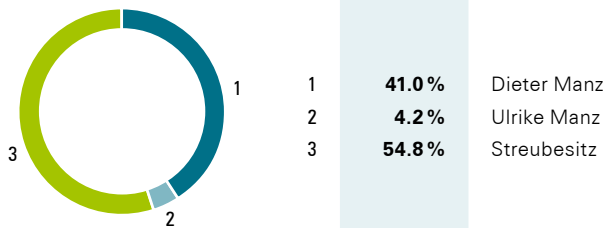
In the period under review, the Manz stock initially performed very positively compared with the solar industry indexes, the World Solar Energy TR Index (SOLEX) of Société Générale and the Photovoltaik Global 30 Index (PV Global 30) of Deutsche Börse AG, as well as TecDAX and the Philadelphia Stock Exchange Semiconductor Sector Index (SOX). The development of TecDAX and SOX over the entire reporting period was virtually stable, with a slightly positive performance. The two reference indexes were able to catch up with the performance of the Manz stock from the beginning of March onwards. The two solar indexes, PV Global 30 and SOLEX, developed positively from February 2014 onwards, outperforming the Manz stock in March 2014. By the end of the reporting period, however, Manz AG's stock again showed positive growth in relation to the industry indexes, closing above the value of PV Global 30 and at the level of SOLEX.

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	4,928,059
IPO	September 22, 2006
Opening Price	19.00 EUR
Stock Price at the Beginning of the Fiscal Year*	60.52 EUR
Stock Price at the End of the Fiscal Year*	65.22 EUR
Change (in percent)	7.8%
Annual High*	74.53 EUR
Annual Low*	59.90 EUR

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

SHAREHOLDER STRUCTURE



Currently at 54.8%, Manz AG has a large number of shares in free float and has a wide shareholder base. As of March 31, 2014, company founder and chairman of the Managing Board, Dieter Manz, holds a total of 41.0% of Manz's stock. In addition, Ulrike Manz holds 4.2% of the company's shares.

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**OUR IDEAS
FOR MAXIMUM
QUALITY
AND ROBUSTNESS**

**USING INNOVATIVE PROCESSES
SYSTEMATICALLY**

Numerous production steps in the manufacture of smartphones and tablets are still being carried out manually – and are correspondingly error-prone. Manz's fully integrated, automated production systems enable it to reduce the "human" risks, thereby improving the quality of the end products. The systematic use of new processes also makes a significant contribution to increasing durability – with substrates being cut, say, by laser rather than mechanically and being made particularly robust and long-lived through vacuum coating.

MANZ – ALWAYS ONE IDEA AHEAD

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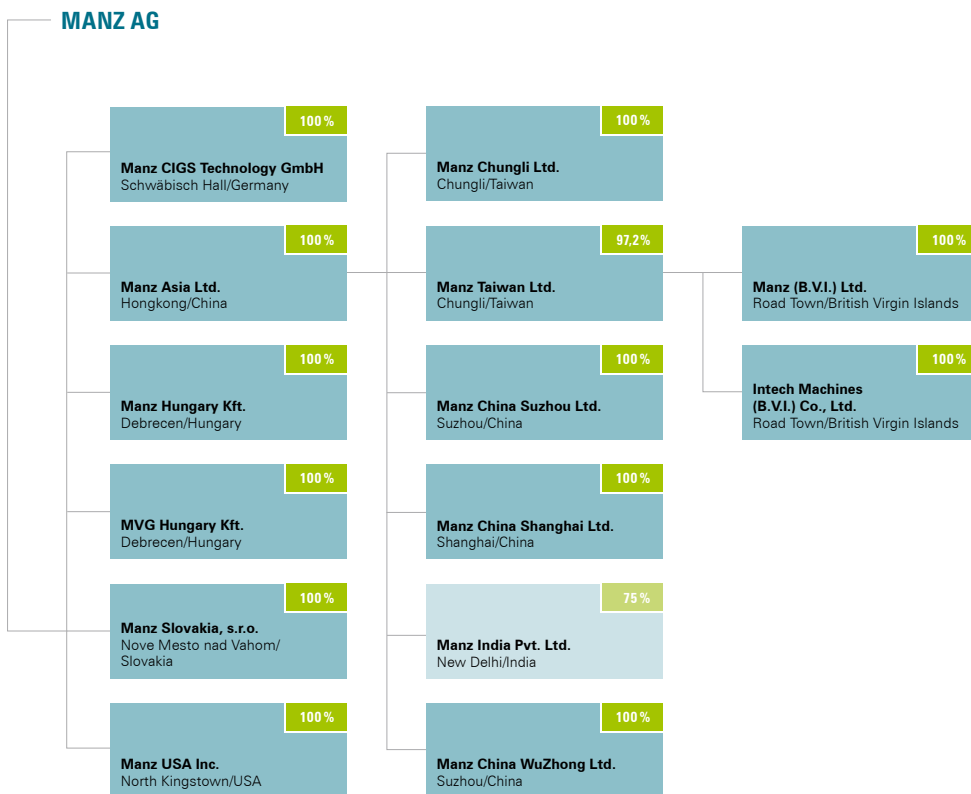
BASIC INFORMATION ON THE GROUP

BUSINESS MODEL, INCLUDING GOALS AND STRATEGY

Manz AG, founded in 1987, is an internationally leading high-tech engineering company with a global presence. In recent years, the company has successfully developed from an automation specialist into a supplier of integrated production lines for growth and sunrise industries, applying its proven competence in six areas of technology, including automation, laser processes, vacuum coating, screen printing, metrology and wet-chemical processes. The technologies are currently deployed in three strategic fields, the “Display”, “Solar” and “Battery” segments, and are constantly being further developed. To secure medium-term and long-term success, Manz AG will also continue to be rigorous in future in its pursuit of cross-industry technology transfer, the diversification of its business model and the internationalization of the company.

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GROUP STRUCTURE AND HOLDINGS



Altogether, 15 companies are included in Manz AG's consolidated financial statements as of March 31, 2014, and are therefore fully consolidated. On the reporting date, Manz AG, as the Group's parent company, held a 100% interest in five international subsidiaries and one domestic subsidiary located in Schwäbisch Hall. In comparison with last year, the subsidiaries Manz Tübingen GmbH, Tübingen, und Manz Coating GmbH, Reutlingen, were merged, as of 1 January 2013, into Manz AG, Reutlingen. Two of the foreign subsidiaries are based in Hungary and one subsidiary each in the USA, Slovakia, and Hong Kong. In addition, the company has a 100% stake in three second-tier subsidiaries in China and two in Taiwan. A 75% second-tier subsidiary exists in India. Manz AG also has a 100% stake in two third-tier subsidiaries on the British Virgin Islands.

LOCATIONS AND EMPLOYEES

27

NATIONS

Employees and managers from 27 different countries work in our group's various subsidiaries



- | | | |
|---|--|--|
| <p>1 Germany
Reutlingen, Tübingen,
Karlsruhe, Schwäbisch Hall,
Leipzig
Production, Sales & Service</p> | <p>4 USA
North Kingstown, Cupertino
Sales & Service</p> | <p>7 China
Shanghai, Suzhou, Wuxi,
Yingkou, Huaian, Jiangyin,
Ningbo, Longhua, Xiamen
Production, Sales & Service</p> |
| <p>2 Hungary
Debrecen
Production & Service</p> | <p>5 Taiwan
Taoyuan, Taichung, Tainan
Production, Sales & Service</p> | <p>8 India
New Delhi, Calcutta,
Bangalore, Hyderabad
Sales & Service</p> |
| <p>3 Slovakia
Nove Mesto nad Vahom
Production, Sales & Service</p> | <p>6 South Korea
Seoul, Incheon, Daegu
Sales & Service</p> | |

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Qualified and motivated employees provide the basis of Manz AG's long-term success. As of March 31, 2014, Manz employed a total workforce of 1,853 (previous year: 1,855) both in Germany and abroad, of which 599 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 491 employees, followed by Manz Taiwan Ltd. in Taiwan, with 419 employees, and Manz Slovakia s.r.o., with 221 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.

RESEARCH AND DEVELOPMENT

Research and development is a key component in successfully expanding 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 will also play an important role for the company in the 2014 fiscal year. With over 500 engineers, technicians, and scientists at its development facilities in Germany, Taiwan and China, Manz AG will focus on the main technologies in its Display, Solar and Battery divisions 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 7.5% in the reporting period (previous year: 9.2%). If we consider only capitalized development costs, the ratio of research costs to sales totals 2.9% (previous year: 2.6%). 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

According to the Kiel Institute for the World Economy (IfW), a continuing recovery of the global economy could be observed during the first three months of the 2014 fiscal year, which means that the upward trend which had become apparent since mid-2013 is also continuing in the current year. What, according to the IfW, is crucial for the positive development of the global economy is the upswing in the advanced economies. In the emerging countries, on the other hand, structural problems and the general conditions on the financial markets are expected to prevent any increase in economic growth. The IfW expects global GDP to increase by 3.6% in 2014. According to the economists, growth will be driven by the industrialized countries, in particular. The International Monetary Fund (IMF) forecasts growth of 1.0% in the euro zone in the current year, following two years of recession. According to the IMF, gross domestic product (GDP) in Germany will increase by as much as 1.6% in 2014. 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 economists at the Kiel Institute for the World Economy (IfW), growth in the People's Republic of China will be 7.2% in 2014; slightly lower growth of 7.0% is expected in 2015. The experts also forecast that GDP in the United States, as the world's largest economy, will grow by 2.5% in the current year, while growth of as much as 3.0% is expected in 2015.

Display Division

As an established provider of innovative production solutions for the manufacture of FPDs and touch panel displays, Manz AG, with its Display division, is one of the world's leading high-tech engineering companies in this industry. The market research institute IHS puts the market for touch panel displays at 1.4 billion units in 2013. This is equivalent to a year-over-year increase of 20.2%, or a market volume of 20.1 billion USD. Small and medium displays of up to 10 inches (1 inch is equivalent to 2.54 centimeters), which are used in smartphones and tablet computers or even digital cameras and navigation devices, have the largest share of the market, at around 97.7%. Experts at IHS forecast that the overall market will also experience further growth in 2014 and future years. They expect the current fiscal year of 2014 to show a further 24.2% increase to 1.8 billion units. Based on 2013, market growth of 70% to a total of 2.4 billion units or a market volume of around 28

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billion USD is expected by 2017. The market research institute NPD Displaysearch expects to see significant capacity expansion investment in China over the next two years, which is responsible for around 70% of global investment. The market research institute identifies the continually rising demand for terminals with ever larger screens, higher resolution and further developments in touch panel displays for smartphones and tablet computers as the decisive factors in this positive market development in respect of flat panel displays in the small and medium display sector. By 2017, Displaysearch expects smartphones to have a share of around 82% of the global market for mobile telephones, which is equivalent to a market volume of 1.8 billion units.

The market for tablet computers also continues to develop positively. Experts expect to see an increase of 9% to 154 million square meters of TFT LCD screens in the current year. The market volume for tablet computers was estimated at 255 million units in 2013, which is equivalent to just under 60% of the overall market for mobile computers. According to Displaysearch, this share is set to increase to 76% by 2017; this is equivalent to 534 million units.

In the medium term, the research institute also expects AMOLED technology to increase its market share in this area.

Solar Division

After the 2013 fiscal year was, on the one hand, characterized by worldwide new installations of photovoltaics (PV) with a new record total capacity of 36 gigawatts (GW), and overcapacities and the low price level for solar modules impaired profitable growth on the PV market, on the other, the trend towards positive market growth was confirmed in the first three months of 2014. According to NPD Solarbuzz, photovoltaic installations with a total capacity of 9 GW were constructed across the world in the first quarter of 2014. This is equivalent to an increase of 35% compared with the same period in the previous year. The growth is due, in particular, to a significant rise in demand for PV installations in Japan and the United Kingdom. In view of the emerging convergence of PV demand and production capacities, experts expect new installations to exceed a total capacity of 50 GW by the 2015 fiscal year at the latest.

The market research institute IHS forecasts a positive market development in the current year of 2014: it forecasts that module prices will stabilize, and puts the world's newly installed PV capacity at 40 to 45 GW. Given existing global production capacities of around

44 GW, the increased demand on the consumer market in 2014 will require the industry to expand capacities and to make corresponding new investment in production facilities. Emerging countries and the Asia and Pacific region, in particular, are becoming more and more important in this respect. According to IHS, China, at 8.6 GW, will be the world leader in the field of newly installed PV capacity. With an anticipated 6.3 GW, Japan is viewed as the second largest sales market. All in all, according to an assessment carried out by NPD Solarbuzz, around 50% of the world's demand for PV panels will be in the Asia and Pacific region.

As a high-tech engineering company, Manz AG offers the industry innovative production solutions for crystalline solar cells and thin-film solar modules. Owing to stabilizing price levels and the continually rising demand on the world market, NPD Solarbuzz expects PV producers to make new investment in production capacities, particularly, in the short term, in the area of crystalline PV technology. Owing to plans for expansion harbored by both established and new market participants, industry experts forecast that 2015 will see a significant increase in capacities in the field of thin-film technology. On the premise of an industry-standard introductory phase of six to twelve months, commensurately significant investment impetus could therefore already be expected in the current year.

Battery Division

In its Battery division, Manz AG focuses on manufacturing technologies and production processes for lithium-ion batteries, which are used in the fields of e-mobility, premium consumer electronics and stationary power storage. The acquisition, in April 2014, of the Italian technology company Kemet Electronics Italy, a subsidiary of the American KEMET Corporation, enabled Manz AG to add proven expertise in winding technology to its portfolio in the Battery division. In addition to the technology for stacking electrodes, which is already established at Manz, this is one of the leading technologies in the manufacture of lithium-ion batteries for e-mobility, stationary energy storage and consumer electronics.

Lux Research experts expect the total global market for lithium-ion batteries to grow by just under 50%, from 28 billion USD in 2013 to 41 billion USD by 2018. The market research institute Navigant Research forecasts that the e-mobility sector will experience worldwide growth of 86% in 2014, which is equivalent to around 346,000 new electric vehicles. This development is primarily being driven by premium brands such as Mercedes, Audi and BMW, which will market electrically powered vehicles for the first time in 2014. Furthermore, governments in the automotive industry's key sales markets of Germany

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and China are providing incentives for end consumers to purchase electric vehicles. For example, electric cars bought before 2015 in Germany will be exempt from vehicle tax for a period of ten years. The subsidy program launched by the Chinese government in 2013 bears up to 60,000 RMB (around 7,000 EUR) in the case of purchase of an electric vehicle. According to the market research institute Lux Research, lithium-ion batteries will mainly be sold in the form of premium consumer electronics like smartphones and tablet computers. Sales of 25 billion USD are expected to be achieved in 2018. In view of the significant fall in production costs for lithium-ion batteries expected by experts, Markets and Markets Research accordingly forecasts average annual growth of 10% for the next five years, which means that the global market in 2018 will comprise 10.3 billion USD.

Printed Circuit Board/OEM Reporting Segment

After a slight decline in 2012, the market for printed circuit boards grew again in Germany in 2013. ZVEI expects growth of 3.4% in 2014, with printed circuit boards achieving a market of 1.40 billion euros. The segments of industrial electronics and automotive electronics, for which growth of 4% and 3%, respectively, is forecast, will account for the largest part of this. ZVEI expects the global market to be worth 62.9 billion USD (2013: 60.3 billion USD), which is equivalent to growth of 4.3%. The German market accounts for only a small section of about 3%; the lion's share can be found in the Asia and Pacific region, which has a 64% share of the global market for printed circuit boards (equivalent to 40.4 billion USD). An increase of 6% is estimated for this region.

Overall Assertion

Manz AG can look back on a successful implementation of its diversification strategy and technology transfer between the Display, Solar and Battery divisions in the 2013 fiscal year. The company also benefited from this strategic orientation and the production locations in China and Taiwan in the first three months of 2014, and continues to view itself as being well positioned for the current fiscal year. In the Display segment, the investment boom of recent years continues unabated, even though market growth is expected to decrease slightly in comparison with the previous year. As the market leader for innovative production solutions in the field of wet-chemical processing steps in Taiwan and China and successful transfer of innovative laser and coating technology from the Solar division, Manz AG also sees excellent opportunities for additional revenue and earnings growth in this division in 2014. An increasing willingness to invest is emerging in the solar industry in the current year. With its innovative production solutions, particularly in

relation to the cost-efficient CIGS thin-film technology, Manz AG is extremely well placed to benefit from future investments. Due to further intensified research and development activities for battery technologies in the e-mobility sector, stationary power storage and premium consumer electronics, Manz AG also sees significant growth opportunities in the Battery division. Manz AG also expects to see additional short-term impetus in this sector from the acquisition of the mechanical engineering division of the KEMET Group in Italy (formerly, Arcotronics), communicated in April. Manz AG expects market development in the PCB/OEM reporting segment to be stable.

ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

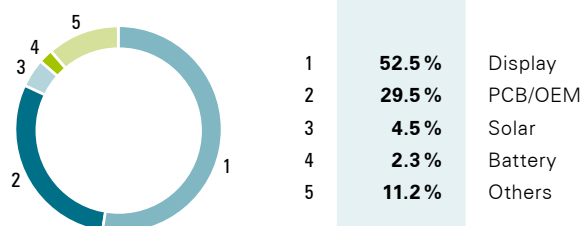
Financial Performance

Manz AG's financial performance in the first three months of the 2014 fiscal year was shaped by the comparatively low level of orders on hand in the fourth quarter of the 2013 fiscal year. This reflects the seasonal nature of the market for premium consumer electronics, which is becoming increasingly important to Manz and which develops cyclically depending on the respective launch dates of the end devices. Revenues in the reporting period amounted to 54.2 million euros, following 49.8 million euros in the same quarter in the previous year.

The Display division accounted for the largest share of revenues in the reporting period, at 28.4 million euros or 52.5 % (previous year: 28.3 million euros or 56.8 %). This was due, in particular, to the continuing high demand for touch panel displays for mobile end devices such as smartphones and tablet PCs. The Solar division generated around 2.4 million euros or 4.5 % of Manz AG's total revenues in the first three months of 2014 (previous year: 3.1 million euros or 6.2 %). Battery, the third division, contributed 1.2 million euros to Group revenues in the form of equipment for producing lithium-ion batteries (previous year: 1.9 million euros or 3.7 %). The PCB/OEM reporting segment was responsible for relevant revenue contributions of 16.0 million euros or 29.5 % (previous year: 11.2 million euros or 22.5 %). Revenues in the Others reporting segment totaled 6.1 million euros in the first three months of 2014, following 5.4 million euros in the prior-year period; that corresponds to a revenue share of 11.2 % (previous year: 10.8 %).

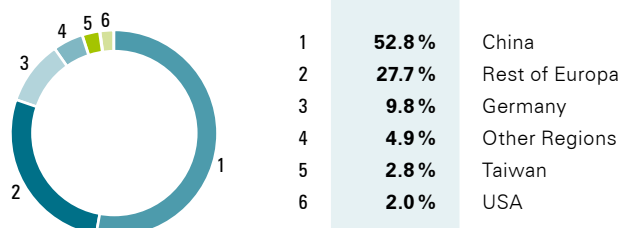
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REVENUES BY BUSINESS UNIT JANUARY 1 TO MARCH 31, 2014



Manz AG revenues by region had the following distribution in the first quarter of 2014: Taiwan and China accounted for the largest share of Manz AG's revenues, at 30.1 million euros or 55.6% (previous year: 31.8 million euros or 63.7%). In Germany, the company generated 5.2 million euros or 9.8% of total revenues (previous year: 5.7 million euros or 11.4%). In terms of the rest of Europe, Manz AG generated around 15.0 million euros or 27.7% of revenues, following 10.7 million euros or 21.4% in the prior-year period. In the USA, the company achieved revenues of 1.1 million euros; that corresponds to a 2.0% share of total revenues (previous year: 1.4 million euros or 2.8%). Revenues in other regions worldwide amounted to 2.7 million euros or 4.9% (previous year: 1.2 million euros or 2.4%).

REVENUES BY REGION JANUARY 1 TO MARCH 31, 2014



Based on revenues of 54.2 million euros, there was an overall decline of –4.7 million euros in inventories of finished goods and work in progress, due to the reduction in storage capacities (previous year: +3.6 million euros). At the same time, own work capitalized, at 1.6 million euros, was roughly at the prior-year level (previous year: 1.3 million euros).

This gives rise to gross revenue of 51.0 million euros for the first quarter of 2014 (previous year: 54.7 million euros). Other operating income declined to 1.3 million euros (previous year: 3.6 million euros) as a result of the discontinuation of funds that Manz AG had received from Würth Solar in the reference period in 2013 as part of the agreement to acquire the location in Schwäbisch Hall. Material costs amounted to 26.8 million euros (previous year: 29.6 million); the material cost ratio declined slightly to 52.6% (previous year: 54.1%). Gross profit, at 25.5 million euros, declined by around 3.2 million euros year over year (previous year: 28.7 million euros).

Personnel expenses in the first quarter of 2014, at 16.3 million euros, were slightly above the reference period (previous year: 16.1 million euros), which was due to a slight increase in personnel in Germany. The personnel expenses ratio, totaling 31.9%, increased slightly compared with the prior-year level (previous year: 29.4%). Earnings before interest, taxes, depreciation and amortization (EBITDA) therefore amount to 0.3 million euros in the first quarter of 2014, following 4.4 million euros in the same period in the previous year.

Depreciation in the reporting period, at 5.9 million euros, was at a level similar to that in the prior-year period (previous year: 5.8 million euros). In addition to systematic depreciation on property, plant and equipment including machinery, this item comprises, in particular, increased capitalized depreciation on own activities (development costs) in connection with the *CIGSfab*, and licenses in the Solar area. Other operating expenses increased mainly due to higher sales expenditure, and amounted to 9.0 million euros in the reporting period (previous year: 8.2 million euros). Overall, negative operating earnings (EBIT) of –5.7 million euros (previous year: –1.4 million euros) result.

An analysis of the individual divisions shows that EBIT in the Display division was 2.1 million euros (previous year: 2.1 million euros). The Solar division, however, posted negative EBIT of –8.4 million euros, following –5.3 million euros in the previous year. Operating profit in the Battery division amounted to –1.2 million euros, following 0.2 million euros in the reference period. The PCB/OEM reporting segment recorded an operating profit of 1.2 million euros (previous year: 1.0 million euros). The Others segment decreased EBIT slightly to 512 thousand euros, following 571 thousand euros in the previous year.

After deduction of taxes on income, Manz AG's consolidated net loss for the first quarter of 2014 was –6.6 million euros (previous year: –3.0 million euros).

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Financial Position

Total assets as of March 31, 2014 declined by 24.1 million euros to 295.1 million euros compared with December 31, 2013. On the liabilities side, the company's equity amounted to 164.5 million euros (December 31, 2013: 175.0 million euros), the decline in comparison with the end of the 2013 fiscal year being attributable to the continuous net loss for the period. This gives rise, as of the balance sheet date of the reporting period, to an equity ratio of 55.7%, compared with 54.8% as of December 31, 2013.

Non-current liabilities increased slightly from 33.1 million euros to 35.2 million euros. This development was due to a rise in non-current financial liabilities to 20.2 million euros (December 31, 2013: 18.6 million euros). In addition, there was a slight increase in other non-current provisions to 2.5 million euros (December 31, 2013: 2.1 million euros), while other non-current liabilities, at 6.6 million euros, were at the level of the past fiscal year.

In addition, it was possible to reduce overall current liabilities to 95.5 million euros, a significant reduction compared with the end of the past fiscal year (December 31, 2013: 111.0 million euros). The reduction in lines of credit led to a significant decline in current financial liabilities – from 46.4 million euros as of December 31, 2013 to 28.7 million euros as of March 31, 2014. Trade payables also declined slightly by 2.0 million euros to 40.7 million euros (December 31, 2013: 42.7 million euros). Payments received, at 13.3 million euros, were significantly above the level at the end of the 2013 fiscal year (December 31, 2013: 8.7 million euros). This development is attributable to the positive growth in orders in the first quarter of 2014. Other current provisions totaled 4.4 million euros as of March 31, 2014, following 4.6 million euros as of the 2013 balance sheet date. Other liabilities of 5.8 million euros include, in particular, VAT and social security liabilities, and witnessed a slight decline (December 31, 2013: 6.3 million euros).

On the asset side, the reduction in non-current assets from 138.2 million euros to 133.9 million euros is due to reduced intangible assets and a decline in property, plant and equipment. As of March 31, 2014, intangible assets stood at 89.2 million euros (December 31, 2013: 91.7 million euros), this development being caused by systematic amortization that was above the capitalized development costs. Property, plant and equipment totaled 43.2 million euros as of 31 March, 2014, compared with 45.0 million euros at the end of the past fiscal year. This reduction was due to systematic depreciation in the reporting period.

In addition, current assets declined to 161.3 million euros as of March 31, 2014, following 181.0 million euros as of the 2013 balance sheet date. In view of the positive order situation in the reporting period, raw materials, consumables and supplies in inventories increased by 1.6 million euros to 57.6 million euros (December 31, 2013: 56.0 million euros). At the same time, trade receivables also increased by 3.4 million euros to 59.1 million euros (December 31, 2013: 55.7 million euros). Other current receivables, which mainly comprise VAT receivables, also showed an increase, amounting to 5.7 million euros as of March 31, 2014 (December 31, 2013: 4.3 million euros). At the same time, liquid funds declined significantly to 38.6 million euros (December 31, 2013: 64.7 million euros); this was due to the reduction in bank lines of credit in the first quarter of 2014.

Liquidity Position

Taking cash flow in the strict sense (EBIT plus depreciation/amortization of fixed assets and increase/decrease in non-current pension provisions), a positive cash flow totaling 0.6 million euros resulted in the first quarter of 2014 (previous year: 4.3 million euros). Based on negative operating earnings of –5.7 million euros, this cash inflow mainly results from systematic amortization of intangible fixed assets. Cash flow from operating activities for the first three months of 2014 was negative, as was already the case in the previous year, and amounted to –7.3 million euros (previous year: –5.7 million euros). This development was mainly attributable to the year-over-year increase of 5.2 million euros in inventory items and trade receivables, while, at the same time, trade payables decreased by –2.3 million euros.

Following a cash flow from investing activities of –1.4 million euros in the same period in the previous year, a cash outflow of –2.2 million euros resulted for the first quarter of 2014. This was mainly due to investments in intangible assets, particularly development activities.

On the other hand, the cash outflow from financing activities in the first quarter of 2014 increased to –16.0 million euros, following a cash inflow of 5.6 million euros in the first three months of 2013. The reason for this was the systematic reduction, in the reporting period, of bank overdrafts amounting to 15.2 million euros. If exchange rate changes are taken into account, Manz AG therefore had liquid funds totaling 38.6 million euros as of March 31, 2014 (March 31, 2013: 28.9 million euros).

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EVENTS AFTER THE BALANCE SHEET DATE

On April 3, 2014, Manz AG announced the acquisition of the mechanical engineering division of the Italian technology company Kemet Electronics Italy, a subsidiary of the American KEMET Corporation. As a fully consolidated company in the Group, the subsidiary is expected, given a positive result, to contribute around 10 million euros to Manz AG's annual revenues. The acquisition is being financed by funds from the capital increase, which was successfully carried out in November 2013, and takes effect from April 30, 2014. At the beginning of May, Manz AG acquired new orders with a total volume of around 75 million euros. These orders will have a positive impact on Manz AG's revenues and earnings.

Otherwise, no events took place after the end of the reporting period that could have had a significant impact on the company's financial position, financial performance and cash flows.

REPORT ON OPPORTUNITIES AND RISKS

No significant changes have arisen compared with the opportunities and risks presented in the 2013 Annual Report.

FORECAST REPORT

OUTLOOK

In our forecast report, we address, insofar as possible, the expected future growth of Manz AG and the company's business environment in the current fiscal year of 2014.

In Asia, the crucial region for us, economic earning power is expected to grow to the prior-year level. Given the economic market forecasts for this region's largest national economy, the People's Republic of China, and for the world economy as a whole, we see good framework conditions for our company to grow in the current fiscal year. 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 display, photovoltaic and lithium-ion battery sub-markets are also crucial to Manz AG's further operating growth. For the current 2014 fiscal year, we expect operating activities in our Display division to continue to show positive growth. This assumption is based on the sustained high demand for end devices with touch panel displays, such as smartphones and tablet computers. Overall, we expect the Display division to keep revenues constant in 2014 compared with the previous year, while improving its EBIT margin. The value of orders on hand in the Display division stands at 106.9 million euros as of May 13, 2014 (May 6, 2013: 106,2 million euros).

As far as our Solar division is concerned, the first rays of hope that we witnessed at the end of the past fiscal year and in the first few months of 2014 give us ground for optimism that the market for crystalline PV will recover in the current 2014 fiscal year. Due to the anticipated intersection of the supply and demand curves in this year, we expect new investments in production machinery and related positive effects on our revenue and earnings. In view of the anticipated significant improvement in the market situation, we see good opportunities for selling a Manz CIGS*fab* in the current fiscal year and consider-

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able upside potential for our company. The revenue potential of a CIGSfab ranges from 50 to 350 million euros, depending on the capacity of the line. Our main objective continues to be to sell the first turnkey, fully integrated CIGS production line. Overall, we expect to increase revenues in the Solar division significantly compared with the previous year. The sale of a CIGSfab would once again significantly accelerate revenue growth and result in a significant improvement in operating profit in the current 2014 fiscal year. The value of orders on hand as of May 13, 2014 is 6.0 million euros (May 6, 2013: 3.3 million euros).

We also expect to see very positive momentum in our third division, Battery. With our production systems for manufacturing lithium-ion batteries for e-mobility, stationary power storage and the premium consumer electronics sector, we have opened up further future markets that offer us significant revenue and earnings potential. The acquisition of the mechanical engineering division of KEMET Electronic Italy has also enabled us to add winding and laminating technology to our portfolio and hence to offer our customers all relevant production technologies. The acquisition will contribute around 10 million euros to revenues and earnings in 2014, given a positive result. Accordingly, we expect 2014 to provide a significant increase in revenues and earnings. The value of orders on hand as of May 13, 2014 is 5.2 million euros (May 6, 2013: 5.8 million euros).

The PCB/OEM reporting segment is also expected to perform positively in the current 2014 fiscal year owing to the increasing use of electronic devices in daily life, the increased penetration rate of communication technologies and the sustained demand for mobile end devices such as smartphones and tablet PCs. We therefore expect the current year to provide a significant increase in revenues and earnings compared with the previous year. The value of orders on hand as of May 13, 2014 is 10.5 million euros (May 6, 2013: 20.5 million euros).

We expect 2014 revenues and earnings in the Others division to be at the prior-year level. The value of orders on hand as of May 13, 2014 is 4.6 million euros (May 6, 2013: 5.2 million euros).

In respect of our company's financial position, we expect to see a further improved, positive cash flow from operating activities in the current fiscal year. To secure our liquidity, we will strengthen the excellent cooperation we have with our local and international financial institutions, and take advantage of the financing possibilities presented by the capital market if needed.

Overall Assertion on the Company's Future Development

For the current fiscal year, due to the positive outlook in the Display and Battery divisions, as well as orders on hand of around 133 million euros as of May 13, 2014, and the planned sale of a CIGSfab, we expect to see strong growth in revenues as well as a significant improvement in EBIT compared with the previous year. We see confirmation of our assumption in the first signs of an upturn in the PV market, despite continuing uncertainties with regard to this development. We are, however, ideally positioned to make systematic use of opportunities that present themselves and to perform positively in this area as well in 2014.

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.

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A hand is pointing towards a road that stretches into the distance under a clear blue sky. The background shows a green field and some distant buildings. The overall scene is bright and sunny.

OUR IDEAS FOR EMISSION-FREE MOBILITY

MAKING NEW CONCEPTS SUITABLE FOR WIDESPREAD USE

The market for e-mobility is not yet showing a rate of growth commensurate with its importance. Lithium-ion batteries are still too expensive to manufacture and do not yet fulfil expectations in terms of range sufficiently to establish themselves on a wide scale as a real alternative to conventional drive systems. Manz is attending to both “influential factors”. As Europe’s leading supplier of production systems for lithium-ion batteries, we are ensuring that this crucial future technology achieves a breakthrough.

MANZ – ALWAYS ONE IDEA AHEAD



Pittsburgh	185
Philadelphia	469
New York	536

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CONSOLIDATED INCOME STATEMENT

(in EUR tsd.)	Jan. 1 to March 31, 2014	Jan. 1 to March 31, 2013
Revenues	54,180	49,840
Changes in inventory	-4,743	3,613
Work performed by the entity and capitalized	1,588	1,273
Gross revenue	51,025	54,726
Other operating income	1,281	3,553
Cost of materials	-26,844	-29,600
Gross profit	25,462	28,679
Personnel expenses	-16,272	-16,069
Other operating expenses	-8,963	-8,170
EBITDA	227	4,440
Depreciation, amortization and write-downs	-5,927	-5,843
Earnings before interest and taxes (EBIT)	-5,700	-1,403
Finance income	167	45
Finance costs	-640	-722
Earnings before taxes (EBT)	-6,173	-2,080
Taxes on income	-464	-903
Consolidated profit or loss	-6,637	-2,983
of which attributable to minority interests	-34	-15
of which attributable to Manz AG shareholders	-6,603	-2,968
Weighted average number of shares	4,928,059	4,480,054
Earnings per share (diluted = undiluted) in EUR per share	-1.34	-0.66

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR tsd.)	Jan. 1 to March 31, 2014	Jan. 1 to March 31, 2013
Consolidated profit or loss	-6,637	-2,983
Differences as a result of currency translation	-4,005	891
Hedging of future cash flows	40	-8
Tax effect from components outside profit or loss	-9	2
Total expenses and income recognized directly in equity that will be reclassified to net profit or loss in future periods	-3,974	885
Remeasurement of defined benefit plans	12	21
Tax effect from components outside profit or loss	-3	-5
Total expenses and income recognized directly in equity that will not be reclassified to net profit or loss in future periods	9	16
Consolidated comprehensive income	-10,602	-2,082
of which attributable to minority interests	-64	23
of which attributable to shareholders of Manz AG	-10,538	-2,105

Presentation has been restated owing to an amendment to IAS 1

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	March 31, 2014	Dec. 31, 2013
Non-current assets		
Intangible assets	89,211	91,677
Property, plant, and equipment	43,163	44,975
Deferred taxes	1,065	1,124
Other non-current assets	429	440
	133,868	138,216
Current assets		
Inventories	57,554	55,949
Trade receivables	59,112	55,714
Income tax receivables	290	275
Derivative financial instruments	22	20
Other current receivables	5,685	4,332
Liquid funds	38,588	64,666
	161,251	180,956
Total assets	295,119	319,172

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LIABILITIES AND SHAREHOLDER'S EQUITY (in EUR tsd.)	March 31, 2014	Dec. 31, 2013
Equity		
Issued capital	4,928	4,928
Capital reserves	103,850	103,822
Retained earnings	50,617	57,180
Currency translation	3,075	7,050
Manz AG shareholders	162,470	172,980
Minority Interests	1,994	2,058
	164,464	175,038
Non-current liabilities		
Non-current financial liabilities	20,236	18,546
Non-current deferred investment grants	189	194
Financial liabilities from leases	48	58
Pension provisions	5,576	5,584
Other non-current provisions	2,472	2,116
Other non-current liabilities	6,600	6,600
Deferred taxes	72	2
	35,193	33,100
Current liabilities		
Current financial liabilities	28,651	46,372
Trade payables	40,650	42,687
Payments received	13,337	8,709
Income tax liabilities	1,834	1,499
Other current provisions	4,370	4,628
Derivative financial instruments	761	750
Other liabilities	5,815	6,341
Financial liabilities from leases	44	48
	95,462	111,034
Total shareholders' equity and liabilities	295,119	319,172

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	Jan. 1 to March 31, 2014	Jan. 1 to March 31, 2013
Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	-5,700	-1,403
Depreciation / amortization of fixed assets	5,927	5,843
Increase (+) / decrease (-) in pension provisions and other non-current provisions	348	-116
Cash flow	575	4,324
Gains (-) / losses (+) from disposals of assets	-4	3
Increase (-) / decrease (+) in inventories, account receivable and other assets	-5,203	-30,680
Increase (+) / decrease (-) in trade payables and other liabilities	-2,286	21,294
Interest paid	-583	-670
Interest received	167	44
Cash flow from operating activities	-7,334	-5,685
Cash flow from investing activities		
Cash receipts from the sale of fixed assets	44	15
Cash payments for investments in intangible assets and property, plant and equipment	-2,178	-1,413
Cash flow from investing activities	-2,134	-1,398
Cash flow from financing activities		
Purchase of treasury shares	-2	0
Cash payments for the repayment of finance leases	-2	-4
Cash proceeds from long-term borrowings	-763	-2,576
Change in bank overdrafts	-15,236	8,148
Cash flow from financing activities	-16,003	5,568
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1-3)	-25,471	-1,515
Wechselkursbedingte Wertänderung des Finanzmittelbestandes	-607	-251
Cash and cash equivalents on January 1	64,666	30,708
Cash and cash equivalents on March 31	38,588	28,942
Composition of cash and cash equivalents		
Liquid funds	38,588	28,942
Cash and cash equivalents on March 31	38,588	28,942

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CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of March 31, 2014

(in EUR tsd.)	Issued capital	Capital reserves	Treasury shares	Retained earnings			Currency translation	Manz AG shareholders	Minority interests	Total equity
				Accumulated profit/loss	Remeasurement of pensions	Cash flow hedges				
As of Dec. 31, 2012	4,480	143,986	0	-4,589	0	-60	11,777	155,594	1,853	157,447
Effect from initial adoption of IAS 19								-1,227	-21	-1,248
As of Jan. 1, 2013	4,480	143,986	0	-4,589	-1,227	-60	11,777	154,367	1,832	156,199
Total comprehensive income				-2,968	16	-6	853	-2,105	23	-2,082
As of March 31, 2013	4,480	143,986	0	-7,557	-1,211	-66	12,630	152,262	1,855	154,117
As of Jan. 1, 2014	4,928	103,822	0	58,311	-1,129	-2	7,050	172,980	2,058	175,038
Total comprehensive income				-6,603	9	31	-3,975	-10,538	-64	-10,602
Purchase of treasury shares			-2					-2		-2
Use of treasury shares			2					2		2
Share-based compensation		28		0				28		28
As of March 31, 2014	4,928	103,850	0	51,708	-1,120	29	3,075	162,470	1,994	164,464

SEGMENT REPORTING FOR DIVISIONS

as of March 31, 2014

	Revenues (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	Emple- ees (annual average)
Solar											
Q1 2013		3,084		-1,479	-5,288	115,222	13,818	101,404	624	3,651	377
Q1 2014		2,432		-4,640	-8,362	104,259	18,367	85,892	1,006	3,603	287
Display											
Q1 2013		28,286		3,073	2,136	93,609	34,203	59,406	564	699	570
Q1 2014		28,428		3,102	2,082	81,145	33,918	47,227	275	788	561
Battery											
Q1 2013		1,866		477	156	13,274	3,631	9,643	68	301	48
Q1 2014		1,231		-836	-1,164	12,389	3,033	9,356	637	307	52
PCB/OEM											
Q1 2013		11,227		1,423	1,022	49,711	45,928	3,783	68	224	422
Q1 2014		16,014		1,778	1,232	31,517	20,629	10,888	141	366	435
Others											
Q1 2013		5,377	760	946	571	11,235	9,350	1,885	28	329	109
Q1 2014		6,075	1,826	823	512	12,305	10,726	1,579	47	259	126
Central functions /other											
Q1 2013		0				41,255	62,027	-20,772	61	639	321
Q1 2014		0				53,504	43,982	9,522	72	604	312
Consolidation											
Q1 2013			-760								
Q1 2014			-1,826								
Group											
Q1 2013		49,840	0	4,440	-1,403	324,306	168,957	155,349	1,413	5,843	1,847
Q1 2014		54,180	0	227	-5,700	295,119	130,655	164,464	2,178	5,927	1,773

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SEGMENT REPORTING FOR REGIONS

as of March 31, 2014

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
Germany		
Q1 2013	5,711	86,264
Q1 2014	5,241	75,244
Rest of Europe		
Q1 2013	10,709	11,338
Q1 2014	15,023	10,724
China		
Q1 2013	27,939	14,494
Q1 2014	28,612	13,981
Taiwan		
Q1 2013	2,941	34,566
Q1 2014	1,543	32,472
Rest of Asia		
Q1 2013	888	7
Q1 2014	1,871	3
USA		
Q1 2013	1,372	69
Q1 2014	1,106	61
Other Regions		
Q1 2013	280	1,689
Q1 2014	784	318
Group		
Q1 2013	49,840	148,427
Q1 2014	54,180	132,803

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BASIC PRINCIPLES

Pursuant to Section 37x(3) of the German Securities Trading Act (WpHG), the consolidated interim financial statements as of March 31, 2014 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 are not applied. They have been neither audited nor reviewed.

There were no changes to the accounting policies in comparison with the annual financial statements as of December 31, 2013. A detailed description of these policies was published in the notes in the 2013 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 MOST IMPORTANT CURRENCIES

(in EUR)		Exchange rate at the End of the Period:			Average Rate During:
		March 31, 2014	Dec. 31, 2013	Jan. 1 to March 31, 2014	Jan. 1 to March 31, 2013
USA	USD	1.3754	1.3768	1.3705	1.3209
Taiwan	TWD	41.8879	41.3366	41.5787	39.1328
Hong-Kong	HKD	10.7751	10.6787	10.6439	10.2486
China	CNY	8.4784	8.4177	8.3873	8.3028
Hungary	HUF	308.9750	296.9470	307.8739	296.5839

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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 continues to include the following domestic and foreign subsidiaries:

FULLY CONSOLIDATED COMPANIES

		Interest in %
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.	Nove Mesto nad Vahom, Slovakia	100,0%
Manz Asia Ltd.	Hong-Kong, China	100,0%
Manz Chungli Ltd. ¹⁾	Chungli, Taiwan	100,0%
Manz China Shanghai Ltd. (Shanghai) 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⁾	Chungli, 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%

¹⁾ via Manz Asia Ltd.

²⁾ via Manz Taiwan Ltd.

There were no changes to the basis of consolidation in the first quarter of 2014.

CHANGES TO THE BASIS OF CONSOLIDATION AFTER MARCH 31, 2014

With effect from April 30, 2014, Manz AG acquired the mechanical engineering division of the Italian technology company Kemet Electronics Italy, a subsidiary of the American KEMET Corporation. The acquisition of the mechanical engineering division in the Batteries and Capacitors segment was part of an asset deal. The acquisition enabled Manz AG to add winding technology for the manufacture of lithium-ion batteries to its technology portfolio. In addition, Manz AG obtains market access in Europe and Asia.

In addition to various assets and liabilities, 83 employees were also acquired in this process. The acquired assets are distributed across intangible assets, property, plant and equipment, inventories and receivables. In addition, Manz also assumed liabilities, which mainly consist of personnel provisions, advances received from customers and other liabilities. Transaction-related costs of 0.8 million euros were recognized directly as expense.

The following overview renders the fair values of the assets and liabilities acquired through the acquisition as of April 30, 2014. 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.

(in million EUR)	Fair Value
Intangible assets	3.0
Property, plant and equipment	0.2
Inventories	2.8
Receivables	1.6
Cash and cash equivalents	0.0
	7.6
Non-current liabilities	1.8
Current liabilities	2.5
	4.3
Fair value of net assets	3.3
Acquisition costs	7.5
Goodwill	4.1

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.

If the acquisition had already taken place at the beginning of the reporting year, Group revenues would have been approximately 4.0 million euros higher and Group EBIT 0.4 million euros higher, as of March 31, 2014.

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KEY EVENTS IN THE REPORTING PERIOD

In the first three months of the 2014 fiscal year, the Manz Group recorded an 8.8% increase in revenues compared with the same period in the previous year (54.2 million euros in Q1 2014 compared with 49.8 million euros in Q1 2013). Total operating revenues declined by 6.8% to 51.0 million euros.

Earnings before interest and taxes (EBIT) deteriorated from –1.4 million euros to –5.7 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.)	March 31, 2014	March 31, 2013
Exchange rate gains	117	136
Income from the reversal of provisions	23	52
Income from the reduction of provisions	288	506
Income from the sale of investments	4	0
Subsidies	184	375
Expense grants	0	1,500
Changes to valuation allowances on receivables	1	157
Other	664	827
	1,281	3,553

COST OF MATERIALS

(in EUR tsd.)	March 31, 2014	March 31, 2013
Cost of raw materials, consumables and supplies and of purchased merchandise	25,095	27,334
Cost of purchased services	1,749	2,266
	26,844	29,600

OTHER OPERATING EXPENSES

(in EUR tsd.)	March 31, 2014	March 31, 2013
Rent and leasing	1,372	1,461
Other operating costs	810	705
Other personnel expenses	277	213
Advertising and travel expenses	1,719	1,113
Outgoing freight, packaging	673	449
Legal and consulting costs	572	854
Insurance policies	225	282
Exchange rate losses	505	215
Changes to valuation allowances on receivables	27	726
Other	2,783	2,152
	8,963	8,170

INCOME TAXES

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

Income taxes consist of the following items:

(in EUR tsd.)	March 31, 2014	March 31, 2013
Current tax expense/income (-)	426	825
Deferred tax expense/income (-)	38	78
	464	903

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NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	March 31, 2014	March 31, 2013
Licenses, software and similar rights, and assets	23,599	24,779
Capitalized development costs	34,952	36,107
Goodwill	30,566	30,790
Prepayments	94	1
	89,211	91,677

PROPERTY, PLANT AND EQUIPMENT

(in EUR tsd.)	March 31, 2014	March 31, 2013
Land and buildings, including buildings on third-party land	25,114	25,583
Technical equipment and machinery	12,904	14,202
Other equipment, operating and office equipment	5,009	5,092
Prepayments	136	98
	43,163	44,975

INVENTORIES

(in EUR tsd.)	March 31, 2014	March 31, 2013
Raw materials, consumables and supplies	25,953	22,765
Work in process	25,544	30,739
Finished goods and merchandise	1,922	1,434
Prepayments	4,136	1,011
	57,554	55,949

TRADE RECEIVABLES

(in EUR tsd.)	March 31, 2014	March 31, 2013
Future receivables from construction contracts	28,717	26,064
Trade receivables	30,395	29,650
	59,112	55,714

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

(in EUR tsd.)	March 31, 2014	March 31, 2013
Cost, including outcome of the contract, of construction contracts	100,675	97,312
Minus advances received	-71,958	-71,248
	28,717	26,064

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	March 31, 2014	March 31, 2013
Tax receivables (not income taxes)	2,619	1,367
Personnel receivables	666	353
Other accruals (primarily insurance policies)	296	213
Other	2,104	2,399
	5,685	4,332

EQUITY

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

ISSUED CAPITAL

Manz AG's issued capital is valued at 4,928,059 euros (December 31, 2013: 4,928,059 euros) and is divided into 4,928,059 registered, no-par value bearer shares. The nominal value of each share is thus 1.00 EUR.

There were no changes to issued capital in the first quarter of 2014.

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CAPITAL RESERVES

Capital reserves comprise primarily 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).

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

With effect from April 30, 2014, Manz AG acquired the mechanical engineering division of the Italian technology company Kemet Electronics. Please also refer to the explanations in respect of the provisional price allocation under „Changes to the Basis of Consolidation after March 31, 2014“.

FURTHER DISCLOSURES

EMPLOYEES

As of March 31, 2014, the Manz Group had an average of 1,773 employees (March 31, 2013: 1,847 employees).

MANAGING BOARD

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

SUPERVISORY BOARD

Prof. Dr. Heiko Aurenz, Dipl. oec., Partner at Ebner Stolz Management Consultants GmbH, Stuttgart (Chairman)

Dr. Peter Leibinger, Managing Partner of TRUMPF GmbH & Co. KG, Ditzingen, Vice Chairman

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

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Reutlingen, May 13, 2014

The Managing Board of Manz AG




Dieter Manz
Chief Executive Officer



Martin Hipp



A woman with blonde hair, wearing a purple jacket, is standing next to a row of solar panels. The background is a bright, slightly blurred outdoor setting. Two large circular graphic elements are overlaid on the image: a teal one at the top and a white one at the bottom.

OUR IDEAS FOR SUSTAINABLE ENERGY PRODUCTION

SECURING THE WORLDWIDE ENERGY SUPPLY

The history of Manz is a history of constant innovation pertaining to production technologies for solar cells and modules. We have made a significant contribution to photovoltaics being, even today, the cheapest way of generating electricity in some countries – and hence to its becoming even more important in future in satisfying, in an environmentally friendly manner, the enormous hunger for energy in wide parts of the earth. The Manz CIGS*fab*, the only turnkey production line for manufacturing CIGS thin-film solar modules in the world, enables us to create the best conditions for meeting these major challenges in an optimal manner.

MANZ – ALWAYS ONE IDEA AHEAD

IMPRINT

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