

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

9-MONTH REPORT 2014

## 2014 FINANCIAL CALENDAR

Date	
November 26, 2014	2014 German Equity Forum

## OVERVIEW OF GROUP RESULTS

(in EUR million)	Jan. 1 to Sept. 30, 2014	Jan. 1 to Sept. 30, 2013	Change in %
Revenues	250.87	213.03	+17.8
Total operating revenues	250.41	218.30	+14.7
EBITDA	19.64	23.31	-15.7
EBITDA margin (in %)	7.84	10.68	-2.84pp
EBIT	1.45	5.21	-72.2
EBIT margin (in %)	0.58	2.39	-1.81pp
EBT	0.17	2.93	-94.2
Consolidated net profit (loss)	-0.84	0.38	n/a
Earnings per share (in euros)	-0.16	0.02	n/a
Cash flow from operating activities	11.10	19.05	-41.7
Cash flow from investing activities	-15.63	-6.26	n/a
Cash flow from financing activities	-24.08	10.10	n/a
	<b>Sept. 30, 2014</b>	<b>Dec. 31, 2013</b>	<b>Change in %</b>
Total assets	318.70	319.17	-0.15
Equity	180.26	175.04	+2.98
Equity ratio (in %)	56.56	54.84	+1.72pp
Financial liabilities	39.22	64.92	-39.59
Liquid funds	37.70	64.67	-41.70
Net debt	1.58	0.36	+338.89

## MANZ AG MISSION STATEMENT

As a high-tech engineering company, our goal is to develop equipment and systems for fast-growing sunrise industries around the world, 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 the production of sustainable energy 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 in the fields of electronic components & devices, solar power, and energy storage. 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 quarterly 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.

# CONTENT

**006 TO OUR SHAREHOLDERS**

- 006 LETTER FROM THE MANAGING BOARD
- 009 MANZ AG STOCK

**014 GROUP INTERIM MANAGEMENT REPORT**

- 016 BASIC INFORMATION ON THE GROUP
- 019 BUSINESS REPORT
- 029 EVENTS AFTER THE BALANCE SHEET DATE
- 029 REPORT ON OPPORTUNITIES AND RISKS
- 029 FORECAST REPORT

**034 CONSOLIDATED INTERIM FINANCIAL STATEMENT**

- 036 CONSOLIDATED INCOME STATEMENT
- 037 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- 038 CONSOLIDATED BALANCE SHEET
- 040 CONSOLIDATED CASH FLOW STATEMENT
- 041 CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
- 042 SEGMENT REPORTING FOR DIVISIONS
- 043 SEGMENT REPORTING FOR REGIONS

**044 NOTES**

- 046 BASIC PRINCIPLES
- 047 BASIS OF CONSOLIDATION
- 049 KEY EVENTS IN THE REPORTING PERIOD
- 049 NOTES ON INDIVIDUAL ITEMS IN THE INCOME STATEMENT
- 051 NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET
- 057 KEY EVENTS OF PARTICULAR IMPORTANCE OCCURRING AFTER THE END OF THE REPORTING PERIOD
- 058 FURTHER DISCLOSURES

**062 IMPRINT**

## LETTER FROM THE MANAGING BOARD

Dear Shareholders,

Following the first nine months of 2014 we can look back on a very positive business performance over the reporting period. Since the beginning of the year, we have registered dynamic growth in revenue and new orders. This gave rise to record revenues of more than 108 million euros as early as the second quarter of 2014. We were also successful in our efforts to continue this trend into the third quarter: as of September 30, our operating earnings (EBIT) were around 18 percent above the 2013 revenue level. The Display division made a significant contribution to our success in establishing ourselves as industrial partners for the development of innovative and high-performance production equipment for manufacturing smartphones and tablet computers. Additional positive stimulation resulted from the expansion of our technology portfolio in the Battery division thanks to the acquisition of a mechanical engineering division of the Italian technology company Kemet Electronics Italy. This step also enabled us to open up the consumer electronics storage technology segment and as early as mid-2014 to be awarded the largest single order so far in this business division.

With orders on hand of 50.9 million euros, revenues as of September 30, 2014 reached a record level of 250.9 million euros, thereby confirming our ambitious plans for the entire year.

Based on this significant increase in revenues, profitability in the first nine months was within our expectations. Our most important earnings parameter, earnings before interest, taxes, depreciation and amortization (EBITDA), amounted to 19.6 million euros, following 23.3 million euros in the comparable period of the previous year. Essentially the discontinuation of 4.5 million euros in funding from Würth Solar as part of an agreement to acquire the location in Schwäbisch Hall had an impact here as of the beginning of the year. Adjusted for this effect, earnings are even slightly above those of the previous year, underscoring our company's operating efficiency. Overall, we posted earnings before interest and taxes (EBIT) of 1.5 million euros in the first nine months of 2014, following 5.2 million euros in 2013. These earnings were heavily influenced by regular depreciation of investments in future technology for the Solar division.

Thanks to our strategic Display, Solar and Battery divisions, we are excellently positioned in attractive markets with significant growth opportunities for our company. The interest shown by the display industry in Manz AG remains high. By means of innovative German engineering skill, we have established an excellent reputation with the leading companies in the industry. We assess the potential in this division as being correspondingly





positive and are very optimistic about the long-term business trend. The Solar division has been on the upturn since the beginning of the year, albeit still at a very low level. Together with our research partner, Center for Solar Energy and Hydrogen Research Baden-Württemberg (ZSW), we are also the industry's driver of innovation in this market, particularly when it comes to CIGS thin-film technology. We were able to demonstrate this impressively in September 2014 by achieving a new world record of 21.7 % for CIGS thin film solar cell efficiency. By expanding our technology portfolio in the Battery division, we have laid the foundation for raising this segment to a new revenue level. In both the short and medium term we see enormous potential in the form of follow-up orders from the consumer electronics sector. We will consistently take advantage of these opportunities.

In view of the results achieved after the first nine months of 2014 and our excellent market positioning, we definitely expect to achieve the annual targets that we have set for ourselves for 2014. We expect to see revenue growth between 280 and 300 million euros with positive EBIT – even without the possible short-term sale of a CIGS*fab*.

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, November 2014

The Managing Board



Dieter Manz



Martin Hipp

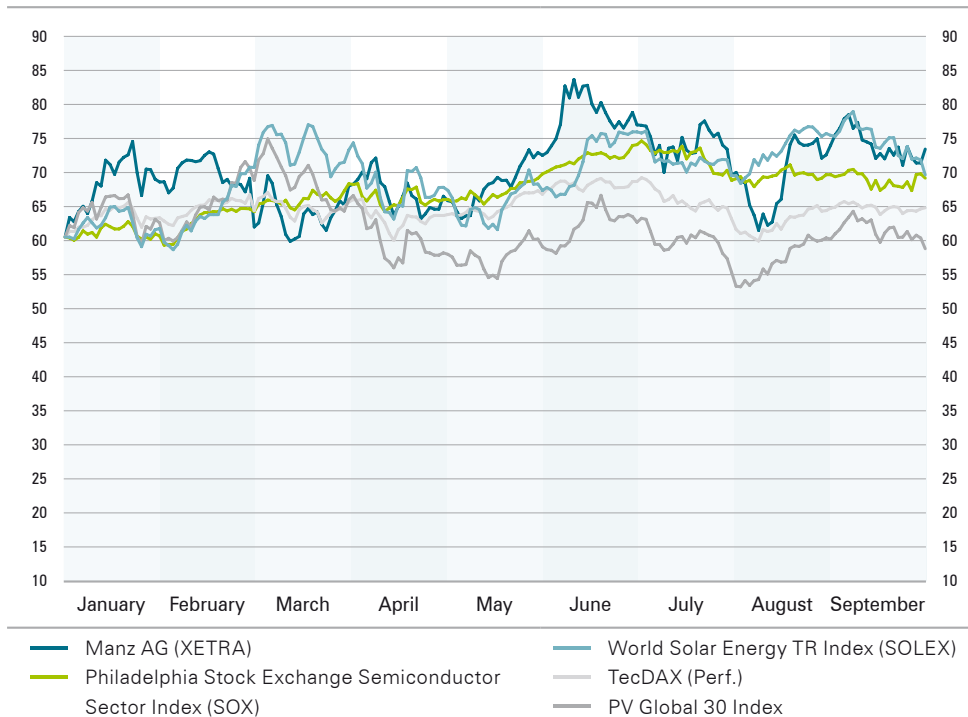


## MANZ AG STOCK

### PRICE PERFORMANCE (JANUARY 1, 2014 – SEPTEMBER 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. Following a sideways movement, the value of the stock fell until mid-March, recording its current low for the 2014 fiscal year on March 13, 2014, at 59.90 euros. After a slight upwards trend and a following sideways movement, Manz stock recorded significant price gains from the beginning of May 2014 onwards, closing on June 12, 2014, at 83.60 euros, which was also the high for the current fiscal year. The following period was characterized by slight consolidation. The stock closed at 73.41 euros on September 30, 2014.

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



Manz AG stock left the TecDAX of Deutsche Börse – the index of Germany’s largest technology companies in terms of market capitalization and trading volume listed in the Prime

Standard – in its wake in the period under review. Particularly at the beginning of the current fiscal year and from May 2014 onwards, Manz stock succeeded in outpacing the overall development of the peer group in TecDAX, closing significantly above the technology index on September 30, 2014. Manz stock also performed 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 the Philadelphia Stock Exchange Semiconductor Sector Index (SOX). After the stock significantly outperformed other sector indices in the first two months of 2014, all values initially developed in parallel again over the following months – PV Global 30, which had been following a downwards trend since February 2014, constituted an exception here. From May 2014 onwards, Manz stock again succeeded in outpacing the reference values, but the SOLEX was able to catch up with MANZ stock again from the beginning of July 2014 onwards. Overall, Manz AG stock closed above all sector indexes as of September 30, 2014.

## STOCK KEY DATA AND PERFORMANCE INDICATORS

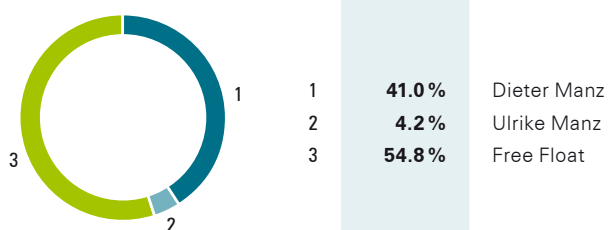
<b>German Securities Identification Number</b>	A0JQ5U
<b>International Securities Identification Number</b>	DE000A0JQ5U3
<b>Ticker Symbol</b>	M5Z
<b>Stock Market Segment</b>	Regulated market (Prime Standard)
<b>Type of Stock</b>	Registered, common, no-par value bearer shares, each with a proportionate value of 1.00 EUR of capital stock
<b>Capital Stock</b>	<b>4,928,059</b>
<b>IPO</b>	September 22, 2006
<b>Opening Price</b>	19.00 EUR
<b>Stock Price at the Beginning of the Fiscal Year*</b>	60.52 EUR
<b>Stock Price at the End of the Fiscal Year*</b>	73.41 EUR
<b>Change (in percent)</b>	<b>21.30 %</b>
<b>Annual High</b>	83.60 EUR
<b>Annual Low</b>	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 September 30, 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.

---

## 2014 FINANCIAL CALENDAR

---

### Date

**November 26, 2014**

2014 German Equity Forum

---









## **OUR IDEAS FOR LONGER LIVES**

### **VENTURING INTO HITHERTO UNCHARTED DIMENSIONS**

The rechargeable battery's life is the crucial factor in lifespan and acceptance of premium consumer electronics products. Manz opens up new ways for industry to continually increase the capacity and lifespan of lithium-ion batteries by, for example, using pouch cells, an area in which we have already been able to gain years of experience in the automotive industry. We are now utilizing this expertise for production technologies that also enable rechargeable batteries for consumer electronics to venture into new performance dimensions.

**MANZ – ALWAYS ONE IDEA AHEAD**

# GROUP INTERIM MANAGEMENT REPORT



**016 BASIC INFORMATION ON THE GROUP**

- 016 BUSINESS MODEL INCLUDING GOALS AND STRATEGY
- 016 GROUP STRUCTURE AND HOLDINGS
- 017 LOCATIONS AND EMPLOYEES

**019 BUSINESS REPORT**

- 019 MACROECONOMIC ENVIRONMENT AND INDUSTRY-RELATED CONDITIONS
- 023 ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

**029 EVENTS AFTER THE BALANCE SHEET DATE****029 REPORT ON OPPORTUNITIES AND RISKS****029 FORECAST REPORT**

- 029 OUTLOOK
- 031 FORWARD-LOOKING STATEMENTS

## **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.

### **GROUP STRUCTURE AND HOLDINGS**

Altogether, 16 companies are included in Manz AG’s consolidated financial statements as of September 30, 2014, and are therefore fully consolidated. On the reporting date, Manz AG, as the Group’s parent company, held a 100 % interest in six international subsidiaries and one domestic subsidiary located in Schwäbisch Hall. Two of the foreign subsidiaries are based in Hungary and one subsidiary each in Italy, the USA, Slovakia, and Hong Kong. In addition, the company has a 100 % stake in 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 in the British Virgin Islands.

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

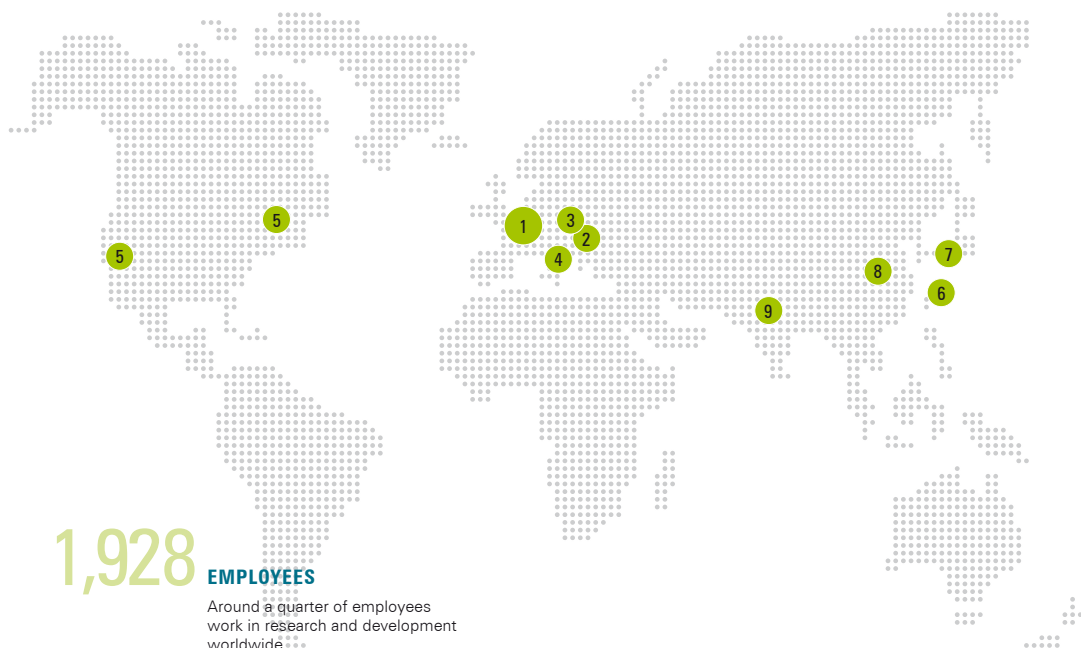
## LOCATIONS AND EMPLOYEES

### Locations

# 27

**NATIONS**

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



- |   |  |   |   |   |   |
|---|--|---|---|---|---|
| 1 | <b>Germany</b><br>Reutlingen, Tübingen,<br>Karlstein, Schwäbisch Hall,<br>Leipzig<br>Production, Sales & Service | 5 | <b>USA</b><br>North Kingstown, Cupertino<br>Sales & Service               | 8 | <b>China</b><br>Shanghai, Suzhou, Wuxi,<br>Yingkuo, Huaian, Jiangyin,<br>Ningbo, Longhua, Xiamen<br>Production, Sales & Service |
| 2 | <b>Hungary</b><br>Debrecen<br>Production & Service   | 6 | <b>Taiwan</b><br>Taoyuan, Taichung, Tainan<br>Production, Sales & Service | 9 | <b>India</b><br>New Delhi, Calcutta,<br>Bangalore, Hyderabad<br>Sales & Service   |
| 3 | <b>Slovakia</b><br>Nove Mesto nad Vahom<br>Production, Sales & Service   | 7 | <b>South Korea</b><br>Seoul, Incheon, Daegu<br>Sales & Service            |   |   |
| 4 | <b>Italy</b><br>Sasso Marconi<br>Production, Sales & Service   |   |   |   |   |

Qualified and motivated employees provide the basis of Manz AG's long-term success. As of September 30, 2014, Manz employed a total workforce of 1,928 (previous year: 1,823) both in Germany and abroad, of which 635 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 481 employees, followed by Manz Taiwan Ltd. in Taiwan, with 373 employees, and Manz Slovakia s.r.o., with 223 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.

## **CONTROL SYSTEM AND PERFORMANCE INDICATORS**

The following major performance indicators are used for Group-internal control purposes: Revenue, EBITDA and EBITDA margin, EBIT and EBIT margin, equity ratio and liquidity. Manz reports on the development of the control indicators in respect of defined target values on an annual basis. For more detailed information about this, please refer to the section "Control System and Performance Indicators" in Manz AG's 2013 Annual Report, which can be viewed on Manz AG's website ([www.manz.com](http://www.manz.com)).

## **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, Italy, Slovakia, 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 5.7% in the reporting period (previous year: 6.1%). If we consider only capitalized development costs, the ratio of research costs to sales totals 2.1% (previous year: 2.0%). In order to provide sustained and

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

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), the global economy has faltered again in the course of 2014. Global GDP, for example, increased much more slowly, at a rate of 2.6% in the first half of 2014, following a growth rate of 3.6% in the second half of 2013. The economy in the emerging countries, in particular, fell short of expectations. Increasing geopolitical tension also had a negative impact. The IfW expects the global economy to strengthen in the last quarter of 2014 and in 2015, but it projects that economic momentum will remain moderate for the time being. Experts expect global GDP to grow by a total of 3.2% in 2014 and by 3.7% in 2015. In the euro zone, the economic recovery faltered towards the middle of the year. In the second quarter of 2014, GDP stagnated at the level of the previous quarter. Sentiment indicators suggest that economic activity in the second half of 2014 is likely to increase only slightly. The economy is not expected to gather pace until next year. The IfW forecasts that GDP in the euro zone will grow by 0.7% in 2014 and 1.3% next year. According to the Institute, GDP in Germany will increase by 1.4% in 2014 and 1.9% in 2015.

Economic development in Asia and in the People's Republic of China, in particular, is of major importance to Manz AG as this is its principal sales region. According to economists at the IfW, growth in the People's Republic of China will be 7.3% in 2014; slightly lower growth of 7.0% is expected in 2015. The experts forecast that GDP in the United States, as the world's largest economy, will grow by 2.1% in the current year, while growth of 3.0% is expected in 2015.

## Display Division

As an established provider of innovative production solutions for the manufacture of flat panel displays (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. Overall, the revenue volume of the global FPD market is estimated at 131 billion USD in 2014, which means that year-on-year growth will be in the one-digit percentage range. The market research institute NPD DisplaySearch is expecting a shift within the FPD market. According to this institute, revenue from mobile computing and smartphones will continue to grow in 2014 and account for around 42 % of the overall volume of the global FPD market, thereby exceeding the market share of LCD televisions for the first time. The market research institute identifies the continually rising demand for terminals with larger screens and higher resolution as well as further developments in touch panel displays for smartphones and tablet computers as the decisive factors in this development. In terms of technologies, NPD DisplaySearch expects AMOLED technology to increase its market share in the medium term. Within the next two years, the costs of AMOLED displays will fall below those of LCD displays, due to improvements in production processes, and make a corresponding contribution to the spread of this technology. In regional terms, Taiwan will remain the world's leading region for the manufacture of touch-sensitive displays. At the same time, China will climb to number two by the year 2016, owing to the high local demand for smartphones and tablet computers. Accordingly, the market research institute NPD DisplaySearch expects to see significant capacity expansion investment in China over the next two years, which will be responsible for around 70 % of global investment.

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

## Solar Division

As a high-tech engineering company, Manz AG offers the industry innovative production solutions for crystalline solar cells and thin-film solar modules. Following the achievement of a further record level in the 2013 fiscal year, with 36 gigawatts (GW) of new photovoltaic installations, profitable growth on the PV market was impaired by overcapaci-



016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

ties and the low price level for solar modules. Global PV demand continued to increase significantly in the first nine months of 2014. In view of this development, experts from the market research institute NPD Solarbuzz and the world's 20 leading PV module manufacturers expect new installations to exceed a total capacity of 50 GW by the end of the year. The institute expects to see around 20 GW of new installations in the fourth quarter of 2014 alone and, accordingly, an equilibrium between existing production capacities and end customer demand. The beginning of a new investment cycle for more efficient and additional production capacities in the industry is therefore also to be expected: NPD Solarbuzz puts the revenue potential for mechanical engineering in the solar industry at 10 billion USD by the year 2017. The market for crystalline solar cells will continue its leading position, but thin-film technology will also become increasingly important due to the anticipated high investments in China, the Middle East and Latin America.

With its products, Manz AG offers the industry both efficiency gains and significant cost savings. With its unique know-how provided by the largest team of experts in the world, Manz focuses on CIGS thin-film technology. The production costs of CIGS thin-film technology in a Manz turnkey CIGS*fab* are, depending on the location and size of the factory, significantly lower than the costs of today's still prevalent crystalline silicon solar technology. Accordingly, Manz AG sees itself excellently positioned to be able to benefit from the next investment cycle in the solar industry.

### **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 consumer electronics, e-mobility and stationary power storage. Experts from the market research institute Lux Research 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. According to Lux Research, lithium-ion batteries are currently mainly being sold in the form of consumer electronics like smartphones and tablet computers. This is also confirmed by Frost & Sullivan, the market research and analysis company, which considers that the fields of "mobile communication" and "computing devices" will be the main drivers of growth over the next three to four years. Lux Research is expecting lithium-ion batteries to achieve a sales volume of 25 billion USD in consumer electronics alone in 2018. Frost & Sullivan are expecting further medium to long-term growth momentum for the market for lithium-ion batteries from e-mobility and stationary power storage. 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 brands such as Tesla, Mercedes, Audi and BMW, which are marketing electrically powered vehicles for the first time in 2014. Furthermore, governments in the automotive industry's key sales markets of Germany and China are providing incentives for end consumers to purchase electric vehicles. Numerous projects in the field of stationary power storage are currently being promoted and implemented in the USA and Europe. As far as Asia is concerned, the US Department of Energy identifies China, South Korea and Japan as the market drivers of stationary power storage.

In the Battery division, Manz AG has proven expertise in both winding and stacking technologies, the two leading technologies in the manufacture of lithium-ion batteries for consumer electronics, e-mobility and stationary energy storage. This provides an excellent basis for being able to take systematic advantage of the revenue and earnings potential in these industries, both now and in the future.

### **Printed Circuit Board/OEM Reporting Segment**

Since the beginning of 2014, there has been a positive development in the printed circuit board market as far as the German industry is concerned. According to the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie e.V. – ZVEI), industry revenues in Germany in the first eight months of 2014 grew by 2.9%, compared with the same period in the previous year. Incoming orders also experienced a significant upturn, increasing by 10.3%. ZVEI expects to see growth of 3.9% in 2014, with printed circuit boards achieving a market of 1.43 billion euros. The segments of industrial electronics and automotive electronics, for which growth of 5% and 6.5%, 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. This positive development also continued in the first nine months of 2014, with

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

the result that Manz AG continues to view itself as being well positioned for the current fiscal year. Although, in the Display segment, the investment boom has lost some of its vibrancy in comparison with the previous year, Manz AG, 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, also sees excellent opportunities for additional revenue and earnings growth in this division in 2014. In view of the pending equilibrium between existing production capacities and end customer demand, an increasing willingness to invest is emerging in the solar industry. With its innovative production solutions, particularly in relation to the 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 consumer electronics and the acquisition of the mechanical engineering division of the KEMET Group in Italy (former Arcotronics), Manz AG also sees significant growth opportunities in the Battery division. Manz AG expects market development in the PCB/OEM reporting segment to be stable.

## **ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS**

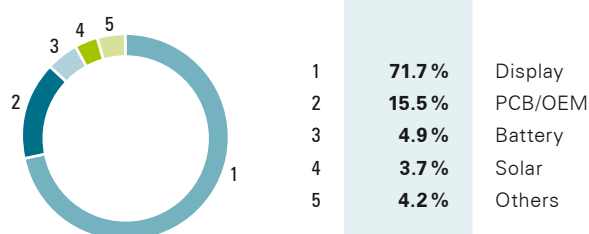
### **Financial Performance**

Following the strongest three-month revenue in the company's history in the second quarter of 2014, business performance in the third quarter of 2014 was also very positive, with revenues of just under 90 million euros being achieved. Overall, Manz AG achieved an increase in revenues of 17.8% in the first nine months compared with the same period in the previous year. In absolute terms, revenue amounted to 250.9 million euros, compared with 213.0 million euros in the previous year.

The Display division accounted for the largest share of revenues in the reporting period, at 179.9 million euros or 71.7% (previous year: 139.3 million euros or 65.4%). This was due, in particular, to the continuing high demand for touch panel displays and other components for mobile end devices such as smartphones and tablet PCs. The Solar division generated around 9.3 million euros or 3.7% of Manz AG's total revenues in the first nine months of 2014 (previous year: 7.5 million euros or 3.5%). Battery, the third division, contributed 12.2 million euros or 4.9% to Group revenues in the form of equipment for

producing lithium-ion batteries (previous year: 7.4 million euros or 3.5%). The PCB/OEM reporting segment was responsible for relevant revenue contributions of 38.9 million euros or 15.5% (previous year: 45.5 million euros or 21.4%). Revenues in the Others reporting segment totaled 10.6 million euros in the first nine months of 2014, following 13.4 million euros in the prior-year period; that corresponds to a revenue share of 4.2% (previous year: 6.2%).

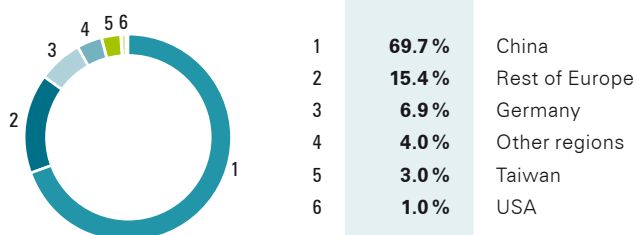
### REVENUES BY BUSINESS UNIT JANUARY 1 TO SEPTEMBER 30, 2014



Manz AG revenues by region had the following distribution in the first three quarters of 2014: Taiwan and China accounted for the largest share of Manz AG's revenues, at 182.6 million euros or 72.7% (previous year: 151.4 million euros or 71.1%). In Germany, the company generated 17.3 million euros or 6.9% of total revenues (previous year: 14.9 million euros or 7.0%). In terms of the rest of Europe, Manz AG generated around 38.7 million euros or 15.4% of revenues in the reporting period, following 36.8 million euros or 17.3% in the prior-year period. This includes revenues of 7.7 million euros from the battery division of the Italian KEMET, which was acquired in April 2014 and has been consolidated as Manz Italy in the Group since April 30, 2014. In the USA, the company achieved revenues of 2.4 million euros; that corresponds to a 1% share of total revenues (previous year: 4.6 million euros or 2.2%). Revenues in other regions worldwide amounted to 9.9 million euros or 4.0% (previous year: 5.4 million euros or 2.5%).

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

## REVENUES BY REGION JANUARY 1 TO SEPTEMBER 30, 2014



Based on revenues of 250.9 million euros, there was an overall decline of –5.7 million euros in inventories of finished goods and work in progress, due to the reduction in storage capacities (previous year: +0.9 million euros). Own work capitalized, at 5.3 million euros, was slightly above the prior-year level (previous year: 4.3 million euros) and mainly relates to development activities in the Solar division. This gives rise to gross revenue of 250.4 million euros for the first nine months of 2014 (previous year: 218.3 million euros). Other operating income declined to 5.6 million euros (previous year: 10.3 million euros), mainly 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 151.0 million euros (previous year: 130.3 million euros), with the material cost ratio, at 60.3%, being slightly above the prior-year level of 59.6%. Gross profit increased to 105.0 million euros, compared with 98.4 million euros in the previous year.

Personnel expenses in the first nine months of 2014, at 54.6 million euros, were slightly above the reference period in 2013 (previous year: 49.1 million euros), which was due to a slight expansion in personnel at the German locations and the 90 additional employees that resulted from the acquisition of Manz Italy. The personnel expenses ratio, at 21.8%, was slightly below that of the previous year, when it stood at 22.5%. Other operating expenses mainly increased due to non-capitalizable transaction costs in relation to the acquisition of Manz Italy and higher sales expenditure on opening up new markets and regions, and amounted to 30.8 million euros in the reporting period (previous year: 26.0 million euros). Earnings before interest, taxes, depreciation and amortization (EBITDA) therefore amount to 19.6 million euros in the reporting period of 2014, following 23.3 million euros in the reference period in the previous year.

Depreciation in the 2014 reporting period, at 18.2 million euros, was virtually at the prior-year level (previous year: 18.1 million euros). In addition to systematic depreciation of

property, plant and equipment including machinery, this item comprises, in particular, depreciation of own work capitalized (development costs) in connection with the CIGSfab, and licenses in the Solar area. Overall, operating earnings (EBIT) of 1.5 million euros (previous year: 5.2 million euros) result. EBIT margin, based on gross revenue, was therefore 0.6% (previous year: 2.4%).

An analysis of the individual divisions shows that EBIT in the Display division was 17.1 million euros (previous year: 15.1 million euros). The Solar division, however, posted negative EBIT of –19.2 million euros, following –15.5 million euros in the previous year. Operating earnings in the Battery division amounted to 134 thousand euros, following 817 thousand euros in the reference period of the previous year. The PCB/OEM reporting segment recorded an operating profit of 2.7 million euros (previous year: 3.2 million euros) and the Others segment also recorded an operating profit of 678 thousand euros, following 1.5 million euros in the previous year.

After deduction of taxes on income, Manz AG's consolidated net loss for the first nine months of 2014 was –0.8 million euros (previous year: 0.4 million euros). Given a weighted average of 4,928,059 shares, that translates into earnings per share of –0.16 euros (previous year: +0.02 euros<sup>1</sup>).

### Financial Position

Total assets as of September 30, 2014 declined by 0.5 million euros to 318.7 million euros, compared with December 31, 2013. On the liabilities side, the company's equity, at 180.3 million euros, was above the level as of the end of the 2013 fiscal year (December 31, 2013: 175.0 million euros). This increase is mainly due to changes in foreign exchange rates relating to foreign subsidiaries. This relates, in particular, to the strength of the Taiwanese dollar against the euro. As of the balance sheet date of the reporting period, the equity ratio amounts to 56.6%, following 54.8% as of December 31, 2013.

Non-current liabilities increased from 33.1 million euros as of December 31, 2013 to 40.8 million euros as of the balance sheet date, September 30, 2014. This development was attributable to an increase in non-current financial liabilities to 24.4 million euros (December 31, 2013: 18.6 million euros), due to taking out a loan from the European Investment Bank at the same time as making principal payments on a KfW loan. While pension provisions increased to 8.4 million euros, mainly due to the acquisition of Manz Italy (December 31, 2013: 5.6 million euros), other non-current liabilities declined to 5.1 million euros,

<sup>1</sup> Based on a weighted average of 4,480,054 shares.



016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

due to adjustment of the earn-out liability to Würth Solar (December 31, 2013: 6.6 million euros).

In addition, current liabilities declined, in comparison with the end of the previous fiscal year, to 97.7 million euros (December 31, 2013: 111.0 million euros). This was due to the significant reduction in credit lines; current financial liabilities amounted to 14.8 million euros as of September 30, 2014 (December 31, 2013: 46.4 million euros). Owing to expansion of the operating business and the positive growth in orders, trade payables increased to 52.3 million euros (December 31, 2013: 42.7 million euros) and payments received to 13.0 million euros (December 31, 2013: 8.7 million euros) as of the end of the reporting period in 2014. Other current provisions totaled 7.5 million euros as of September 30, 2014, following 4.6 million euros as of the 2013 balance sheet date. Other liabilities of 6.7 million euros include, in particular, personnel-related liabilities, and witnessed a slight increase (December 31, 2013: 6.3 million euros).

On the asset side, the increase in non-current assets from 138.2 million euros as of the end of the 2013 fiscal year to 141.4 million euros as of September 30, 2014 is due to increased intangible assets and deferred taxes. As of the end of the 2014 reporting period, intangible assets stood at 93.8 million euros (December 31, 2013: 91.7 million euros). This figure includes intangible assets from the acquisition of Manz Italy at 7.4 million euros. At the same time, property, plant and equipment declined slightly, totaling 43.3 million euros as of September 30, 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.

As of September 30, 2014, current assets, at 177.3 million euros, were virtually unchanged from the 2013 balance sheet date, when they stood at 181.0 million euros. While inventories declined by 6.5 million euros to 49.5 million euros (December 31, 2013: 56.0 million euros), trade receivables increased significantly to 83.2 million euros (December 31, 2013: 55.7 million euros), owing to the extremely positive business development in the third quarter of 2014. Owing to the acquisition of Manz Italy and an increase in VAT receivables in respect of Manz AG, other current receivables increased to 6.2 million euros as of September 30, 2014 (December 31, 2013: 4.3 million euros). At the same time, liquid funds declined significantly to 37.7 million euros (December 31, 2013: 64.7 million euros); this was due to an increase in working capital in connection with the significantly improved order situation and the acquisition of Manz Italy.

### Liquidity Position

Taking cash flow in the strict sense (EBIT plus depreciation/amortization of fixed assets, increase/decrease in non-current provisions, as well as other non-cash income and expenses), a positive cash flow totaling 19.0 million euros resulted in the first nine months of 2014 (previous year: 23.6 million euros). Based on positive operating earnings (EBIT) of 1.5 million euros, this cash inflow mainly results from systematic amortization of intangible fixed assets. Cash flow from operating activities for the first nine months of 2014 amounted to 11.1 million euros (previous year: 19.0 million euros). On the one hand, this development was attributable to an increase in inventory items, trade receivables and other assets, and a corresponding cash outflow of –23.7 million euros (previous year: –12.6 million euros). On the other hand, the increase in trade payables and other liabilities, with cash inflows of 16.5 million euros (previous year: 12.3 million euros), had an impact here.

Following a cash flow from investing activities of –6.3 million euros in the same period in 2013, a cash outflow of –15.6 million euros resulted for the first nine months of 2014. This was mainly due to investments, amounting to 6.8 million euros, in connection with the acquisition of Manz Italy as well as 8.8 million euros in intangible assets, particularly development activities.

Cash flow from financing activities in the first three quarters of 2014 amounted to –24.1 million euros, following a cash inflow of 10.1 million euros in the first nine months of 2013. The reason for this was the systematic reduction, in the reporting period, of bank overdrafts amounting to 31.6 million euros. At the same time, the company recorded an inflow of funds amounting to 10.0 million euros, due to taking out an EIB loan. Taking changes in foreign exchange rates into account, Manz AG therefore has liquid funds of 37.7 million euros as of September 30, 2014 (September 30, 2013: 52.7 million euros).

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

## EVENTS AFTER THE BALANCE SHEET DATE

On October 6, 2014, GTAT Inc. in the USA filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. After setting off against outstanding liabilities, the Manz Group reports a receivable from GTAT Inc. in the amount of 5.3 million euros. Manz AG's Managing Board does not currently see any financial risks in the Chapter 11 filing by GTAT Inc. as this project will, in all probability, be continued. By way of precaution, however, supplies of further equipment have been stopped and ownership rights filed, via the relevant courts, for the equipment already supplied.

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

## 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, Manz AG's expected future growth 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 solid 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 9.7 million euros as of September 30, 2014 (previous year: 36.4 million euros).

In terms of our Solar division, we feel positive that, owing to the first glimmers of light at the end of the past fiscal year and in the first half of 2014, a sustained recovery of the market will occur in the crystalline PV area by the end of the current fiscal year of 2014. Due to the equilibrium that is materializing between existing production capacities and end customer demand this year, we expect new investments in production machinery and related positive effects on our revenue and earnings. In view of the corresponding improvement in the market situation, we continue to see an opportunity to sell a Manz CIGS*fab* in the current year, even though, with the increasing progression of the fourth quarter of 2014, postponement to next year is more likely. The revenue potential of a CIGS*fab* 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 compared with the previous year. The sale of a CIGS*fab* would once again accelerate revenue growth and result in an improvement in operating earnings in the current 2014 fiscal year. The value of orders on hand as of September 30, 2014 is 6.3 million euros (previous year: 0.8 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 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 Electronics 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 and in view of our business performance since completion of the takeover, we expect a significant increase in revenues and earnings in 2014. The value of orders on hand as of September 30, 2014 is 19.0 million euros (previous year: 7.3 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 in-

016	BASIC INFORMATION ON THE GROUP
019	BUSINESS REPORT
029	EVENTS AFTER THE BALANCE SHEET DATE
029	REPORT ON OPPORTUNITIES AND RISKS
029	FORECAST REPORT

creased penetration rate of communication technologies and the sustained demand for mobile end devices such as smartphones and tablet PCs. We therefore expect 2014 to provide a significant increase in revenues and earnings compared with the previous year. The value of orders on hand as of September 30, 2014 is 11.1 million euros (previous year: 14.3 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 September 30, 2014 is 4.8 million euros (previous year: 6.5 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 that 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 business performance and revenues of 250.9 million euros in the first nine months of 2014 as well as orders on hand of 50.9 million euros as of September 30, 2014, we expect to see strong revenue growth to between 280 and 300 million euros, at the same time as positive EBIT, even if we do not sell a *CIGSfab*.

## **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.







A person with curly hair, wearing a grey t-shirt, blue jeans, and orange and teal sneakers, is sitting on concrete steps. A large teal circle is overlaid on the image, containing the main headline. A smaller white circle is overlaid on the bottom right, containing a sub-headline and a paragraph of text.

## **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**

# CONSOLIDATED INTERIM FINANCIAL STATEMENT



- 036** CONSOLIDATED INCOME STATEMENT
- 037** CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- 038** CONSOLIDATED BALANCE SHEET
- 040** CONSOLIDATED CASH FLOW STATEMENT
- 041** CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
- 042** SEGMENT REPORTING FOR DIVISIONS
- 043** SEGMENT REPORTING FOR REGIONS

## CONSOLIDATED INCOME STATEMENT

(in EUR tsd.)	Jan. 1 to Sept. 30, 2014	Jan. 1 to Sept. 30, 2013
Revenues	250,872	213,034
Changes in inventory	-5,736	935
Work performed by the entity and capitalized	5,274	4,328
<b>Gross revenue</b>	<b>250,410</b>	<b>218,297</b>
Other operating income	5,598	10,345
Cost of materials	-151,012	-130,254
<b>Gross profit</b>	<b>104,996</b>	<b>98,388</b>
Personnel expenses	-54,552	-49,062
Other operating expenses	-30,807	-26,012
<b>EBITDA</b>	<b>19,637</b>	<b>23,314</b>
Depreciation, amortization and write-downs	-18,185	-18,108
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,452</b>	<b>5,206</b>
Finance income	350	210
Finance costs	-1,631	-2,491
<b>Earnings before taxes (EBT)</b>	<b>171</b>	<b>2,925</b>
Taxes on income	-1,012	-2,542
<b>Consolidated profit or loss</b>	<b>-841</b>	<b>383</b>
of which attributable to minority interests	-52	315
of which attributable to Manz AG shareholders	-789	68
Weighted average number of shares	4,928,059	4,480,054
Earnings per share (diluted = undiluted) in EUR per share	-0.16	0.02

036	CONSOLIDATED INCOME STATEMENT
037	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
038	CONSOLIDATED BALANCE SHEET
040	CONSOLIDATED CASH FLOW STATEMENT
041	CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
042	SEGMENT REPORTING FOR DIVISIONS
043	SEGMENT REPORTING FOR REGIONS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR tsd.)	Jan. 1 to Sept. 30, 2014	Jan. 1 to Sept. 30, 2013
<b>Consolidated profit or loss</b>	<b>-841</b>	<b>383</b>
Differences as a result of currency translation	6,993	-8,144
Hedging of future cash flows	-534	-13
Tax effect from components outside profit or loss	123	3
<b>Total expenses and income recognized directly in equity that will be reclassified to net profit or loss in future periods</b>	<b>6,582</b>	<b>-8,154</b>
Remeasurement of defined benefit plans	-778	-70
Tax effect from components outside profit or loss	172	18
<b>Total expenses and income recognized directly in equity that will not be reclassified to net profit or loss in future periods</b>	<b>-606</b>	<b>-52</b>
<b>Consolidated comprehensive income</b>	<b>5,135</b>	<b>-7,823</b>
of which attributable to minority interests	79	241
of which attributable to shareholders of Manz AG	5,056	-8,064

## CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	Sept. 30, 2014	Dec. 31, 2013
<b>Non-current assets</b>		
Intangible assets	93,806	91,677
Property, plant, and equipment	43,293	44,975
Deferred taxes	3,670	1,124
Other non-current assets	608	440
	<b>141,377</b>	<b>138,216</b>
<b>Current assets</b>		
Inventories	49,468	55,949
Trade receivables	83,156	55,714
Income tax receivables	215	275
Derivative financial instruments	583	20
Other current receivables	6,199	4,332
Liquid funds	37,702	64,666
	<b>177,323</b>	<b>180,956</b>
<b>Total assets</b>	<b>318,700</b>	<b>319,172</b>

036	CONSOLIDATED INCOME STATEMENT
037	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
038	<b>CONSOLIDATED BALANCE SHEET</b>
040	CONSOLIDATED CASH FLOW STATEMENT
041	CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
042	SEGMENT REPORTING FOR DIVISIONS
043	SEGMENT REPORTING FOR REGIONS

<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b> (in EUR tsd.)	<b>Sept. 30, 2014</b>	<b>Dec. 31, 2013</b>
<b>Equity</b>		
Issued capital	4,928	4,928
Capital reserves	103,906	103,822
Retained earnings	55,374	57,180
Currency translation	13,912	7,050
Manz AG shareholders	178,120	172,980
Minority Interests	2,137	2,058
	<b>180,257</b>	<b>175,038</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	24,423	18,546
Non-current deferred investment grants	215	194
Financial liabilities from leases	48	58
Pension provisions	8,372	5,584
Other non-current provisions	1,972	2,116
Other non-current liabilities	5,100	6,600
Deferred taxes	654	2
	<b>40,784</b>	<b>33,100</b>
<b>Current liabilities</b>		
Current financial liabilities	14,792	46,372
Trade payables	52,321	42,687
Payments received	13,030	8,709
Income tax liabilities	3,213	1,499
Other current provisions	7,501	4,628
Derivative financial instruments	47	750
Other liabilities	6,740	6,341
Financial liabilities from leases	15	48
	<b>97,659</b>	<b>111,034</b>
<b>Total shareholders' equity and liabilities</b>	<b>318,700</b>	<b>319,172</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	Jan. 1 to Sept. 30, 2014	Jan. 1 to Sept. 30, 2013
<b>Cash flow from operating activities</b>		
Earnings before interest and taxes (EBIT)	1,452	5,206
Depreciation / amortization of fixed assets	18,185	18,108
Increase (+) / decrease (-) in pension provisions and other non-current provisions	788	-33
Other non-cash income (-) and expenses (+)	-1,416	293
<b>Cash flow</b>	<b>19,009</b>	<b>23,574</b>
Gains (-) / losses (+) from disposals of assets	-23	9
Increase (-) / decrease (+) in inventories, account receivable and other assets	-23,733	-12,611
Increase (+) / decrease (-) in trade payables and other liabilities	16,479	12,326
Income tax paid	474	-2,177
Interest paid	-1,458	-2,284
Interest received	349	208
Cash flow from operating activities	<b>11,097</b>	<b>19,045</b>
<b>Cash flow from investing activities</b>		
Cash receipts from the sale of fixed assets	0	15
Cash payments for investments in intangible assets and property, plant and equipment	-8,804	-6,276
Cash payments for the acquisition of consolidated entities, less liquid funds received	-6,822	0
Cash flow from investing activities	<b>-15,626</b>	<b>-6,261</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury shares	-177	-2
Cash payments for the repayment of finance leases	-23	-9
Cash proceeds from long-term borrowings	10,000	0
Cash payment for long-term borrowings	-2,298	-4,056
Change in bank overdrafts	-31,580	14,171
Cash flow from financing activities	<b>-24,078</b>	<b>10,104</b>
<b>Cash and cash equivalents at the end of the period</b>		
Net change in cash funds (subtotal 1-3)	-28,607	22,888
Effect of exchange rate movements on cash and cash equivalents	1,643	-869
Cash and cash equivalents on January 1	64,666	30,708
Cash and cash equivalents on June 30	<b>37,702</b>	<b>52,727</b>
<b>Composition of cash and cash equivalents</b>		
Liquid funds	37,702	52,727
<b>Cash and cash equivalents on Sept. 30</b>	<b>37,702</b>	<b>52,727</b>

036	CONSOLIDATED INCOME STATEMENT
037	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
038	CONSOLIDATED BALANCE SHEET
040	CONSOLIDATED CASH FLOW STATEMENT
041	CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
042	SEGMENT REPORTING FOR DIVISIONS
043	SEGMENT REPORTING FOR REGIONS

## CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of September 30, 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				
<b>As of Dec. 31, 2012</b>	<b>4,480</b>	<b>143,986</b>	<b>0</b>	<b>-4,589</b>	<b>0</b>	<b>-60</b>	<b>11,777</b>	<b>155,594</b>	<b>1,853</b>	<b>157,447</b>
Effect from initial adoption of IAS 19								-1,262	-22	-1,284
<b>As of Jan. 1, 2013</b>	<b>4,480</b>	<b>143,986</b>	<b>0</b>	<b>-4,589</b>	<b>-1,262</b>	<b>-60</b>	<b>11,777</b>	<b>154,332</b>	<b>1,831</b>	<b>156,163</b>
Total comprehensive income				68	-52	-10	-8,070	-8,064	241	-7,823
Purchase of treasury shares			-2					-2		-2
Use of treasury shares			2					2		2
<b>As of Sept. 30, 2013</b>	<b>4,480</b>	<b>143,986</b>	<b>0</b>	<b>-4,521</b>	<b>-1,314</b>	<b>-70</b>	<b>3,707</b>	<b>146,268</b>	<b>2,072</b>	<b>148,340</b>
<b>As of Jan. 1, 2014</b>	<b>4,928</b>	<b>103,822</b>	<b>0</b>	<b>58,311</b>	<b>-1,129</b>	<b>-2</b>	<b>7,050</b>	<b>172,980</b>	<b>2,058</b>	<b>175,038</b>
Total comprehensive income				-789	-606	-411	6,862	5,056	79	5,135
Purchase of treasury shares			-177					-177		-177
Use of treasury shares			177					177		177
Share-based compensation		84		0				84		84
<b>As of Sept. 30, 2014</b>	<b>4,928</b>	<b>103,906</b>	<b>0</b>	<b>57,522</b>	<b>-1,735</b>	<b>-413</b>	<b>13,912</b>	<b>178,120</b>	<b>2,137</b>	<b>180,257</b>

## SEGMENT REPORTING FOR DIVISIONS

as of September 30, 2014

	Revenues with third parties (in EUR tsd.)	Revenues with other segments	EBITDA	EBIT	Segment assets	Segment liabilities	Net assets	Additions to assets	Amortiza- tion/ deprecia- tion	Emple- ees (annual average)
<b>Solar</b>										
Q1–Q3/2013	7,490		-4,016	-15,490	110,728	12,452	<b>98,276</b>	1,454	11,185	325
Q1–Q3/2014	9,292		-8,183	-19,185	99,953	20,980	<b>78,973</b>	4,122	10,646	290
<b>Display</b>										
Q1–Q3/2013	139,277		17,749	15,143	92,908	51,740	<b>41,168</b>	1,365	2,114	553
Q1–Q3/2014	179,865		20,869	17,141	97,729	49,221	<b>48,508</b>	2,156	2,999	596
<b>Battery</b>										
Q1–Q3/2013	7,361		1,565	817	10,527	2,112	<b>8,415</b>	2,618	699	55
Q1–Q3/2014	12,243		1,479	134	27,938	3,196	<b>24,742</b>	1,614	1,239	87
<b>PCB/OEM</b>										
Q1–Q3/2013	45,498		4,776	3,197	30,034	17,462	<b>12,572</b>	523	1,230	393
Q1–Q3/2014	38,867		3,920	2,684	28,439	13,582	<b>14,857</b>	378	714	427
<b>Others</b>										
Q1–Q3/2013	13,408	3,383	2,543	1,539	9,496	11,177	<b>-1,681</b>	177	864	158
Q1–Q3/2014	10,605	11,278	1,552	678	7,933	7,249	<b>684</b>	123	746	105
<b>Central functions/other</b>										
Q1–Q3/2013	0				69,508	79,918	<b>-10,410</b>	139	2,016	317
Q1–Q3/2014	0				56,708	44,215	<b>12,493</b>	411	1,841	323
<b>Consolidation</b>										
Q1–Q3/2013		-3,383								
Q1–Q3/2014		-11,278								
<b>Group</b>										
Q1–Q3/2013	213,034	0	22,617	5,206	323,201	174,861	<b>148,340</b>	6,276	18,108	1,801
Q1–Q3/2014	250,872	0	19,637	1,452	318,700	138,443	<b>180,257</b>	8,804	18,185	1,828



036	CONSOLIDATED INCOME STATEMENT
037	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
038	CONSOLIDATED BALANCE SHEET
040	CONSOLIDATED CASH FLOW STATEMENT
041	CONSOLIDATED STATEMENT OF CHANGES TO EQUITY
042	SEGMENT REPORTING FOR DIVISIONS
043	SEGMENT REPORTING FOR REGIONS

## SEGMENT REPORTING FOR REGIONS

as of September 30, 2014

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
<b>Germany</b>		
Q1-Q3/2013	14,901	80,212
Q1-Q3/2014	17,314	70,270
<b>Rest of Europe</b>		
Q1-Q3/2013	36,750	11,006
Q1-Q3/2014	38,713	17,763
<b>China</b>		
Q1-Q3/2013	139,403	14,570
Q1-Q3/2014	174,981	15,393
<b>Taiwan</b>		
Q1-Q3/2013	11,997	33,194
Q1-Q3/2014	7,583	33,864
<b>Rest of Asia</b>		
Q1-Q3/2013	4,256	14
Q1-Q3/2014	8,421	14
<b>America</b>		
Q1-Q3/2013	4,619	60
Q1-Q3/2014	2,419	59
<b>Other Regions</b>		
Q1-Q3/2013	1,108	322
Q1-Q3/2014	1,441	344
<b>Group</b>		
Q1-Q3/2013	213,034	139,378
Q1-Q3/2014	250,872	137,707

# NOTES

- 046** BASIC PRINCIPLES
- 047** BASIS OF CONSOLIDATION
- 049** KEY EVENTS IN THE REPORTING PERIOD
- 049** NOTES ON INDIVIDUAL ITEMS IN THE INCOME STATEMENT
- 051** NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET
- 057** KEY EVENTS OF PARTICULAR IMPORTANCE OCCURRING AFTER THE END OF THE REPORTING PERIOD
- 058** FURTHER DISCLOSURES
- 062** IMPRINT

## BASIC PRINCIPLES

The consolidated interim financial statements as of September 30, 2014 have been prepared according to the International Financial Reporting Standards (IFRS) 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.

With the exception of the new provisions described below, the accounting policies applied to the consolidated interim financial statements as of September 30, 2014 as well as the calculation methods and input parameters used to measure fair value are the same as those of the consolidated financial statements as of December 31, 2013. A detailed description of these policies has been published in the notes to the 2013 Annual Report.

## EFFECTS OF APPLYING IFRS 10–12

Manz is applying the new consolidation standards, IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” und IFRS 12 “Disclosures of Interests in Other Entities” and consequential amendments to IAS 28 “Investments in Associates and Joint Ventures” with retrospective effect as of January 1, 2014.

No major impact on the consolidated financial statements of Manz AG resulted from the application of these new standards. The other accounting standards to be applied for the first time in the 2014 fiscal year likewise have no appreciable effect on the presentation of the financial position, financial performance and cash flows in Manz’s interim financial statements. A detailed list of the new accounting standards can be found in the notes to the 2013 Annual Report.

## EXCHANGE RATES OF MOST IMPORTANT CURRENCIES

(in EUR)		Closing rates			Average Rate
		Sept. 30, 2014	Dec. 31, 2013	Jan. 1 to Sept. 30, 2014	Jan. 1 to Sept. 30, 2013
USA	USD	1.2687	1.3768	1.3562	1.3172
Taiwan	TWD	38.6569	41.3366	40.9293	39.2668
Hong-Kong	HKD	9.8503	10.6787	10.5256	10.2254
China	CNY	7.8098	8.4177	8.3411	8.1947
Hungary	HUF	312.3860	296.9470	308.8766	296.9897

046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

## BASIS OF CONSOLIDATION

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

### FULLY CONSOLIDATED COMPANIES

		Interest in %
Manz CIGS Technology GmbH	Schwäbisch Hall/Germany	100.0%
Manz Italy s.r.l.	Sasso Marconi/Italy	100.0%
Manz USA Inc.	North Kingstown/USA	100.0%
Manz Hungary Kft.	Debrecen, Hungary	100.0%
MVG Hungary Kft.	Debrecen, Hungary	100.0%
Manz Slovakia s.r.o.	Nove Mesto nad Vahom, Slovakia	100.0%
Manz Asia Ltd.	Hong-Kong, China	100.0%
Manz Chungli Ltd. <sup>1)</sup>	Chungli, Taiwan	100.0%
Manz China Shanghai Ltd. <sup>1)</sup>	Shanghai, China	100.0%
Manz China WuZhong Co. Ltd. <sup>1)</sup>	Suzhou, China	100.0%
Manz China Suzhou Ltd. <sup>1)</sup>	Suzhou, China	100.0%
Manz Trading Company Ltd. <sup>1)</sup>	Shanghai/China	100.0%
Manz India Private Ltd. <sup>1)</sup>	New Delhi, India	75.0%
Manz Taiwan Ltd. <sup>1)</sup>	Chungli, Taiwan	97.2%
Manz (B.V.I.) Ltd. <sup>2)</sup>	Road Town, British Virgin Islands	97.2%
Intech Machines (B.V.I.) Co. Ltd. <sup>2)</sup>	Road Town, British Virgin Islands	97.2%

<sup>1)</sup> via Manz Asia Ltd.

<sup>2)</sup> via Manz Taiwan Ltd.

## CHANGES TO THE BASIS OF CONSOLIDATION

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. Furthermore, 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 expenses (Other operating expenses).

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. The goodwill is tax-deductible.

(in million EUR)	<b>Fair Value</b>
Intangible assets	3.1
Property, plant and equipment	0.3
Inventories	2.6
Receivables	2.9
Cash and cash equivalents	0.0
	<b>8.9</b>
Non-current liabilities	1.9
Current liabilities	4.4
	<b>6.3</b>
<b>Fair value of net assets</b>	<b>2.6</b>
Acquisition costs	6.8
<b>Goodwill</b>	<b>4.2</b>

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

Manz Italy has contributed 7.1 million euros to revenues and 0.5 million euros to Group EBIT since the acquisition date. If the acquisition had already been carried out at the beginning of the reporting year, Group revenues would have been around 4.0 million euros, and Group EBIT 0.2 million euros, higher as of September 30, 2014.

Furthermore, Manz Trading Company Ltd. was founded by Manz Asia with effect from June 9, 2014. The company is located in the China (Shanghai) Pilot Free Trade Zone in order to optimize sales activities in the Asian region.

046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

## KEY EVENTS IN THE REPORTING PERIOD

In the third quarter of 2014, the Manz Group recorded an 17.9% increase in revenues to 250.9 million euros compared with 213.0 million euros in the reference period in the previous year. Total operating revenues increased by 17.5% to 250.4 million euros.

Earnings before interest and taxes (EBIT) declined from 5.2 million euros to 1.5 million euros compared with the same period in the previous year.

## NOTES ON INDIVIDUAL ITEMS IN THE INCOME STATEMENT

### OTHER OPERATING INCOME

(in EUR tsd.)	Sept. 30, 2014	Sept. 30, 2013
Exchange rate gains	102	350
Income from the reversal of provisions	180	311
Income from the reduction of provisions	37	684
Income from the sale of investments	17	7
Subsidies	1,808	2,220
Expense grants	0	4,500
Changes to earn-out liability	1,500	0
Changes to valuation allowances on receivables	470	639
Other	1,484	1,634
	<b>5,598</b>	<b>10,345</b>

### COST OF MATERIALS

(in EUR tsd.)	Sept. 30, 2014	Sept. 30, 2013
Cost of raw materials, consumables and supplies and of purchased merchandise	142,579	121,433
Cost of purchased services	8,433	8,821
	<b>151,012</b>	<b>130,254</b>

## OTHER OPERATING EXPENSES

(in EUR tsd.)	Sept. 30, 2014	Sept. 30, 2013
Rent and leasing	4,313	4,444
Other operating costs	2,087	1,905
Commission	1,999	1,254
Other personnel expenses	1,280	774
IT costs	1,094	1,018
Advertising and travel expenses	6,147	4,397
Outgoing freight, packaging	2,175	1,359
Legal and consulting costs	2,683	2,030
Insurance policies	667	598
Licensing fees	725	766
Exchange rate losses	1,428	705
Losses on receivables	280	43
Changes to valuation allowances on receivables	43	43
Other	5,886	6,676
	<b>30,807</b>	<b>26,012</b>

## INCOME TAXES

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

Income taxes break down as follows:

(in EUR tsd.)	Sept. 30, 2014	Sept. 30, 2013
<b>Current tax expense/income (-)</b>	2,947	1,527
<b>Deferred tax expense/income (-)</b>	-1,935	1,015
	<b>1,012</b>	<b>2,542</b>



046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

## NOTES ON INDIVIDUAL ITEMS IN THE BALANCE SHEET

### INTANGIBLE ASSETS

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Licenses, software and similar rights, and assets	24,490	24,779
Capitalized development costs	33,291	36,107
Goodwill	36,024	30,790
Prepayments	1	1
	<b>93,806</b>	<b>91,677</b>

### PROPERTY, PLANT AND EQUIPMENT

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Land and buildings, including buildings on third-party land	26,475	25,583
Technical equipment and machinery	11,278	14,202
Other equipment, operating and office equipment	5,479	5,091
Prepayments	61	99
	<b>43,293</b>	<b>44,975</b>

### INVENTORIES

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Raw materials, consumables and supplies	21,320	22,765
Work in process	22,158	30,739
Finished goods and merchandise	1,321	1,434
Prepayments	4,669	1,011
	<b>49,468</b>	<b>55,949</b>

### TRADE RECEIVABLES

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Future receivables from construction contracts	49,033	26,064
Trade receivables	34,123	29,650
	<b>83,156</b>	<b>55,714</b>

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

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Cost, including outcome of the contract, of construction contracts	130,676	97,312
Minus advances received	-81,643	-71,248
	<b>49,033</b>	<b>26,064</b>

## OTHER CURRENT RECEIVABLES

(in EUR tsd.)	Sept. 30, 2014	Dec 31, 2013
Tax receivables (not income taxes)	2,547	1,367
Personnel receivables	755	353
Other accruals (primarily insurance policies)	122	213
Other	2,775	2,399
	<b>6,199</b>	<b>4,332</b>

## 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 nine months of 2014.

046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

## 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).

The increase of 84 thousand euros in the first nine months of 2014 relates to the allocation from share-based compensation (Manz Performance Share Plan).

## TREASURY SHARES

In the first nine months of 2014, the Manz Group purchased 2,627 treasury shares at an average price of 67.56 euros per share (market value of 177 thousand euros), which were transferred to employees in the context of jubilee benefits and profit participation schemes.

As of September 30, 2014, the company has no further treasury shares in its portfolio.

## PENSION PROVISIONS

The increase in pension provisions as of September 30, 2014 is attributable, at 1,899 thousand euros, to the first-time inclusion of Manz Italy.

## ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

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

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

## CARRYING AMOUNTS BY MEASUREMENT CATEGORY 2014

(in EUR tsd.)	Fair value	Loans and receivables	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Sept. 30, 2014
<b>Assets as of Sept. 30, 2014</b>					
Other non-current assets	608	608	–	–	608
Trade receivables	83,156	34,123	–	49,033	83,156
Derivative financial instruments	583	–	583	–	583
Other current receivables	6,199	3,652	–	2,547	6,199
Liquid assets	37,702	37,702	–	–	37,702
	<b>128,248</b>	<b>76,085</b>	<b>583</b>	<b>51,580</b>	<b>128,248</b>

## CARRYING AMOUNTS BY MEASUREMENT CATEGORY 2014

(in EUR tsd.)	Fair value	Measured at amortized cost	Carrying amount according to IAS 17	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Sept. 30, 2014
<b>Liabilities as of Sept. 30, 2014</b>						
Financial liabilities	39,065	39,065	–	–	–	46,169
Financial liabilities from leases	71	–	71	–	–	140
Trade payables	52,321	52,321	–	–	–	52,321
Derivative financial instruments	47	–	–	47	–	47
Other liabilities	11,840	5,757	–	–	6,083	11,840
	<b>103,344</b>	<b>97,143</b>	<b>71</b>	<b>47</b>	<b>6,083</b>	<b>110,517</b>

046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

**CARRYING AMOUNTS BY MEASUREMENT CATEGORY 2013**

(in EUR tsd.)	Fair value	Loans and receivables	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Dec. 31, 2013
<b>Assets as of Dec. 31, 2013</b>					
Other non-current assets	440	440			440
Trade receivables	55,714	29,650	–	26,064	55,714
Derivative financial instruments	20	–	20	–	20
Other current receivables	4,332	2,965		1,367	4,332
Liquid assets	64,666	64,666	–	–	64,666
	<b>125,172</b>	<b>97,721</b>	<b>20</b>	<b>27,431</b>	<b>125,172</b>

**CARRYING AMOUNTS BY MEASUREMENT CATEGORY 2013**

(in EUR tsd.)	Fair value	Measured at amortized cost	Carrying amount according to IAS 17	Designated hedging instruments (cash flow hedges)	Not within the scope of IFRS 7, IAS 39	Carrying amount Dec. 31, 2013
<b>Liabilities as of Dec. 31, 2013</b>						
Financial liabilities	64,748	64,748	–	–	–	64,918
Financial liabilities from leases	112	–	112	–	–	106
Trade payables	42,687	42,687	–	–	–	42,687
Derivative financial instruments	750	–	–	750	–	750
Other liabilities	12,941	5,667	–	–	7,274	12,941
	<b>121,238</b>	<b>113,102</b>	<b>112</b>	<b>750</b>	<b>7,274</b>	<b>121,402</b>

## MEASUREMENT CLASSES ACCORDING TO IFRS 7.27

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

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

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

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

As of September 30, 2014, derivative financial instruments disclosed in current assets with a value of 583 thousand euros (previous year: 20 thousand euros), as well as derivative financial instruments disclosed in current liabilities with a value of 47 thousand euros (previous year: 750 thousand euros) fall within the scope of Level 2 of the fair value hierarchy of IFRS 7.27.

## CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

There were no major changes to other financial commitments and contingencies compared with December 31, 2013.

## RELATED PARTIES

Compared with December 31, 2013, the group of related parties has remained unchanged.

In the period from January 1 to September 30, 2014, Manz AG purchased laser systems with a value of 32,541 thousand euros from the TRUMPF Group, of which Supervisory Board member Dr. Peter Leibinger is managing partner. As of September 30, 2014, Manz AG has liabilities to the TRUMPF Group of 11,742 thousand euros.

046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	<b>KEY EVENTS AFTER THE REPORTING PERIOD</b>
058	FURTHER DISCLOSURES

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

On October 6, 2014, GTAT Inc. in the USA filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. After setting off against outstanding liabilities, the Manz Group reports a receivable from GTAT Inc. in the amount of 5.3 million euros. Manz AG's Managing Board does not currently see any financial risks in the Chapter 11 filing by GTAT Inc. as this project will, in all probability, be continued. Please also refer to the explanations in Events after the Balance Sheet Date in the management report.

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

## FURTHER DISCLOSURES

### EMPLOYEES

As of September 30, 2014, the Manz Group had an average of 1,828 employees (September 30, 2013: 1,801 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



046	BASIC PRINCIPLES
047	BASIS OF CONSOLIDATION
049	KEY EVENTS IN THE REPORTING PERIOD
049	NOTES ON ITEMS IN THE INCOME STATEMENT
051	NOTES ON ITEMS IN THE BALANCE SHEET
057	KEY EVENTS AFTER THE REPORTING PERIOD
058	FURTHER DISCLOSURES

## RESPONSIBILITY STATEMENT

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

Reutlingen, November 12, 2014  
The Managing Board of Manz AG




Dieter Manz  
CEO



Martin Hipp  
CFO





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. A large teal circle is overlaid on the right side of the image, containing the main title. A white circle is overlaid on the bottom left, containing a sub-section header and a paragraph of text.

## **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

### Publisher

Manz AG  
Steigaeckerstrasse 5  
72768 Reutlingen, Germany  
Phone: +49 (0) 7121 9000-0  
Fax: +49 (0) 7121 9000-99  
info@manz.com  
www.manz.com

### Editor

cometis AG  
Unter den Eichen 7/Gebaeude D  
65195 Wiesbaden, Germany  
Phone: +49 (0) 611 20 585 5-0  
Fax: +49 (0) 611 20 585 5-66  
www.cometis.de

### Design

Art Crash Werbeagentur GmbH  
Weberstr. 9  
76133 Karlsruhe, Germany  
Phone: +49 (0) 721 94009-0  
Fax: +49 (0) 721 94009-99  
info@artcrash.com  
www.artcrash.com



**Manz AG**

Steigaeckerstrasse 5  
72768 Reutlingen, Germany  
Phone: +49 (0) 7121 9000-0  
Fax: +49 (0) 7121 9000-99  
[info@manz.com](mailto:info@manz.com)  
[www.manz.com](http://www.manz.com)