1987 – 2012

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MANZ AG

CONFERENCE CALL 9-MONTH RESULTS 2012

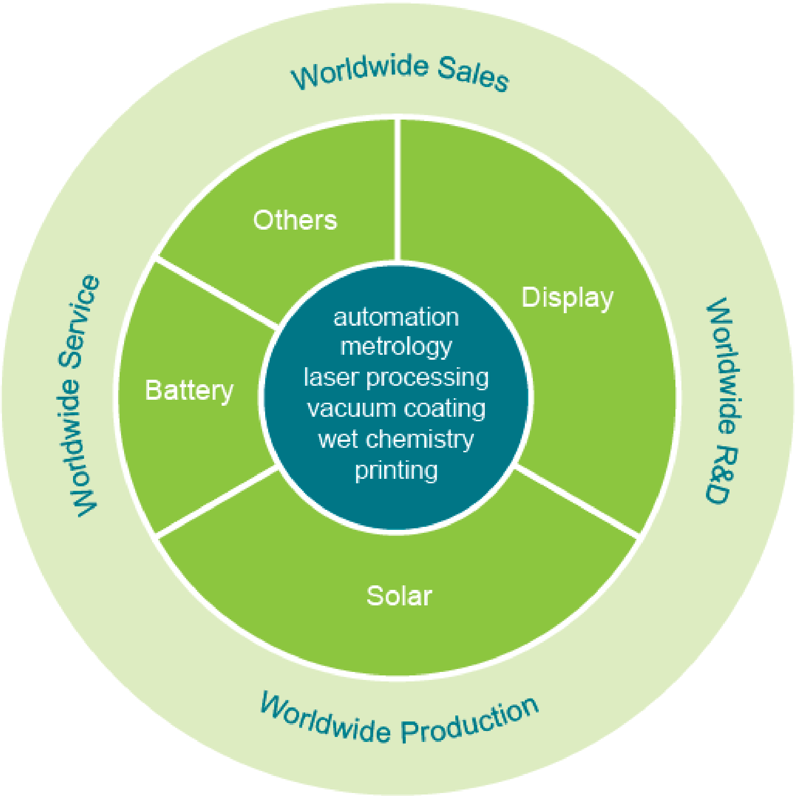
NOVEMBER 12, 2012 / DIETER MANZ, MARTIN HIPP

MISSION STATEMENT

HIGH TECH FOR A GREEN FUTURE

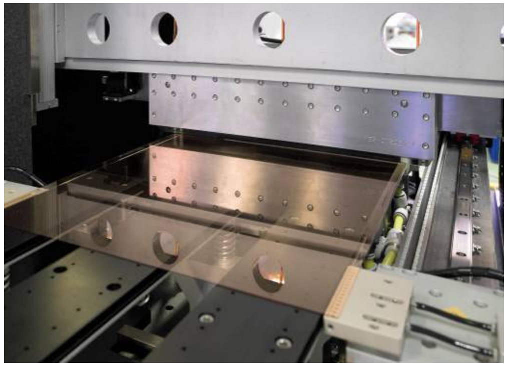
With its outstanding technological expertise, Manz AG is one of the world’s leading suppliers of high-tech manufacturing equipment for key technologies of our times, such as displays and devices for global communication needs, sustainable power generation and e-mobility.

STRATEGIC POSITIONING



- The core of Manz' strategy is to expand and maintain an extensive portfolio of base technologies
  - → Significant cuts in production cost on customer side through matched, combined and interlinked processes
- Technology transfer across business units allows diversification strategy
  - → High synergy effects in base technologies
- No dependency on the development of just one industry
  - → Flexibility and resistance to crises in global competition
- Worldwide sales, service, production and R&D
- Excellent positioning in Asia
  - → Technology and quality advantages compared to local competitors
  - → Cost advantages compared to European and US competitors

CURRENT SITUATION IN THIRD QUARTER 2012



- **As expected weak development of revenues and earnings in Q3**
  - → Low order intake in Q2 led to revenues of € 147.7m
    - → Confirmation of our reduced expectations in Q2 to achieve our original revenue and profit targets
  - → Deteriorating economic conditions and ongoing crisis of solar industry in Q3
    - → EBIT Q3 of € -3.5m
      - → Partial compensation of loss of earnings by the growing segments Display and Battery
  - → Diversification strategy and extensive portfolio of technologies still pay off
    - → Increased gross margin of € 91.0m in Q3 (previous year: € 81.7m)

- **Again significant increase in revenues generated by Display segment**
  - → Revenues of € 94.0m = 63.6% of total revenue
  - → Sustained demand for smart phones, tablet PCs and touch panels
    - → New and follow-up orders expected in coming weeks
    - → Compared to the previous year, positive trend in revenues and earnings for full year 2012 expected

CURRENT SITUATION IN THIRD QUARTER 2012

- **Continuing revenue decrease in Solar segment in Q3**
  - → Decrease from € 57.9m (Q3 2011) to € 14.9m = 10.1% of total revenues
    - → Still no balance between supply and demand for solar cells and modules reached
    - → Ongoing R&D investments to benefit from new investment cycle
      - → Extensive product portfolio through new wet chemical and vacuum coating equipment
      - → Continous R&D in CIGS technology
        - World record for thin-film panels under production conditions set with total panel efficiency of 14.6%
        - Solar power at a cost level similar to electricity from fossil fuels, much cheaper than offshore wind
        - Solar power competitive without subsidies

CURRENT SITUATION IN THIRD QUARTER 2012

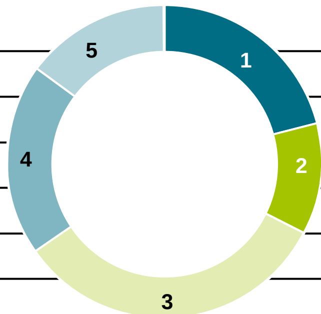
- **Revenues of Battery segment (€ 6.2m) at previous year‘s level**
  - → Positive development will continue
  - → Running projects will be allocated to revenues and earnings in Q4
    - → Annual revenues generated by the Battery segment will increase in 2012 in comparison to 2011 (€ 9.5m)
- **Order backlog is at € 34.2m due to low order intake in Q3**
  - → Ongoing Euro and world financial crisis
  - → Weakening economic momentum in Asia and difficult economic situation in the U.S.
  - → High uncertainty in PV industry
  - → Postponed new and follow-up orders in Display segment
  - → **But: New orders in Display segment**
    - → Bulk order from new customer totalling € 20.8m
    - → Advanced discussions with major customers on orders with volumes in the double-digit million Euro
      - → Precise forecast of total revenues and earnings in 2012 possible over the coming weeks

FINANCIAL FIGURES

REVENUE DEVELOPMENT

Order backlog: € 34.2m

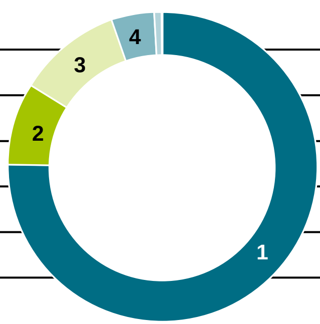
As of September 30, 2012



1 I	**21.2%**	Display
2 I	**11.3%**	Solar
3 I	**32.7%**	Battery
4 I	**19.7%**	PCB/OEM
5 I	**15.1%**	Others

Revenues by region

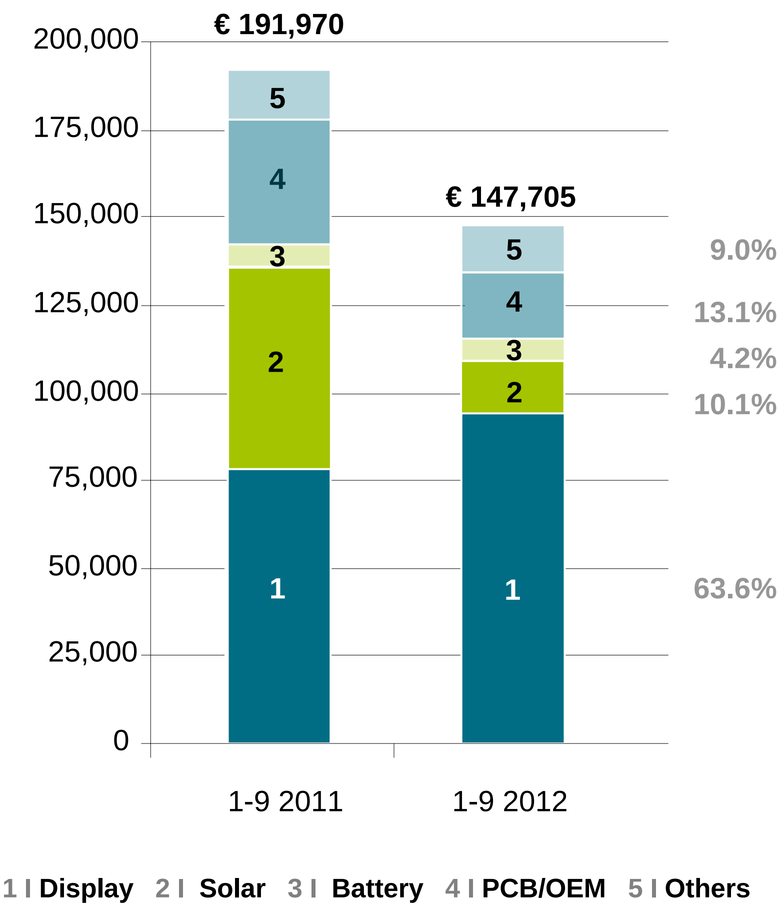
As of September 30, 2012



1 I	**75.2%**	Asia
2 I	**8.7%**	Germany
3 I	**10.9%**	Rest of Europe
4 I	**4.3%**	USA
5 I	**0.9%**	Other Regions

Revenues by business units

In EUR thousand



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INCOME STATEMENT

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in **EUR thousand**	Jan.1 – Sep. 30 2012	Jan.1 – Sep. 30 2011
Revenues	147,705	191,970
Total operating revenue	156,985	217,945
Cost of materials	-75,342	-139,713
Personnel expenses	-53,649	-47,880
Other expenses	-28,741	-22,981
EBIT	-3,498	3,786

- Revenue is at € 147.7m (previous year: € 192.0m) due to sharp decline in demand for solar equipment and low order intake in Q2/Q3
- Material cost ratio improved to 48.0% (previous year: 64.1%) due to strong margins in the Display segment and improvements in operations
- Due to additional personnel costs for R&D in CIGS and coating technology as well as lower turnover the personnel cost ratio increased from 22.0% to 34.2%
- EBIT is at € -3.5m (previous year: € 3.8m) as a result of less used capacities

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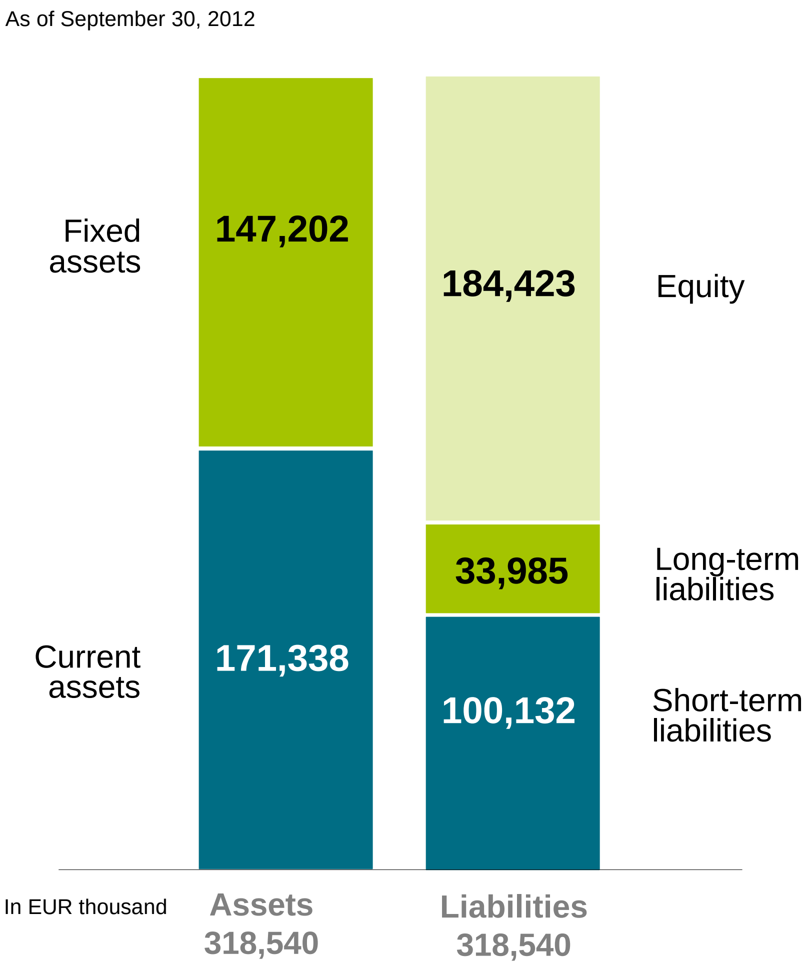
BALANCE SHEET



- Equity ratio of 57.9% is at a good level and reflects the solid balance sheet
- Long-term liabilities increased from € 12.0m to € 34.0m compared to the end of 2011 due to increase of non-current financial debts for new fab in Suzhou/China and a KfW loan for innovation
- Short term liabilities decreased from € 116.9m to € 100.1m due to lower trade payables and current financial liabilities
- Fixed assets increased to € 147.2m from € 130.0m because of the increase in intangible assets (new fab in Suzhou, new developed CIGS-Co-Evaporator)
- Current assets decreased from € 188.2m in 2011 to € 171.3m as a result of lower trade receivables and inventories
- Net debt is at € 44.7m after € 17.2m at the end of 2011 due to capex spending and financing of working capital

CASH FLOW

in **EUR thousand**	As of Sep. 30 2012	As of Sep. 30 2011
Cash flow from operating activities	564	-15,302
Cash flow from investing activities	-28,741	-17,600
Cash flow from financing activities	18,385	27,471
Cash	24,268	32,170

- Positive operating cash flow improved to € 0.6m as a result of the reduced inventories and accounts receivables
- Negative cash flow from investments as a result of the new property, plant and equipment (new fab in Suzhou) as well as capitalized R&D
- Cash flow from financing activities could be reduced from € 27.5m to € 18.4m because of the reduced increase of using of Bank credit lines
- Cash position lowered to € 24.3m due to the mentioned developments

CONCLUSION AND OBJECTIVES

- Diversification balances different market dynamics of our target industries
  - → Missing investment activities in solar equipment can partially be compensated by the growing segments Display and Battery
- Due to new fab for display and PV equipment in Suzhou/China and ongoing, successful R&D efforts in the Solar segment, Manz is well prepared for the next investment cycle of the PV industry
- Though continuous challenges in 2012, prospects for 2013 are in all strategic business units very good
- 2011 sales level will be failed in 2012 due to growing challenges from economic and sector-specific uncertainties in Q3
  - → Due to ongoing discussions with major customers on orders with volumes in the double-digit millions Euro the determination of the exact revenues and earnings level of 2012 will be only possible within the next weeks

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